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THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH

MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY “HANK” WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM, Defendants	**LEAD PLAINTIFFS’ MOTION FOR PRELIMINARY APPROVAL OF PROPOSED CLASS ACTION SETTLEMENT AND MEMORANDUM OF LAW IN SUPPORT THEREOF** Case No. 2:22-cv-00642-DBB-JCB Assigned Judge: Hon. David Barlow Referred Magistrate Judge: Jared C. Bennett

TABLE OF CONTENTS

I. INTRODUCTION 1

II. RELEVANT BACKGROUND 4

  A. The Commencement and Nature of the Action 4

  B. The DOJ Indictment and SEC Complaint 5

  C. The Chapter 7 Proceeding 6

  D. The Mediation/Settlement Process 6

  E. Settlement Proceedings in the Bankruptcy Court 7

III. SUMMARY OF THE SETTLEMENT 8

IV. THE SETTLEMENT WARRANTS PRELIMINARY APPROVAL 11

  A. The Standards for Preliminary Approval of a Proposed Settlement 11

  B. The Settlement Satisfies Each of the Rule 23(e)(2) Factors 13

    1. Lead Plaintiffs and Lead Counsel Have Adequately Represented the Class 13

    2. The Proposed Settlement Was Negotiated at Arm's-Length 16

    3. The Proposed Settlement Is Adequate in Light of the Costs, Risks, and Delay of Trial and Appeal 18

    4. The Proposed Method for Distributing Relief Is Effective 20

    5. Lead Counsel's Maximum Potential Requested Attorneys' Fees and Expenses Are Reasonable and in Line with Similar Recent Cases 20

    6. The Parties Have No Side Agreements 21

    7. Class Members Are Treated Equitably 21

V. THE MANNER AND FORM OF NOTICE SHOULD BE APPROVED, AND THE PROPOSED CLAIMS ADMINISTRATOR SHOULD BE APPOINTED 22

VI. PROPOSED SCHEDULE OF SETTLEMENT EVENTS 23

VII. CONCLUSION 24

TABLE OF AUTHORITIES

Page(s)

Cases

Abadilla v. Precigen, Inc.,
No. 5:20-cv-06936 (N.D. Cal.) 15

Am. Home Assurance Co. v. Cessna Aircraft Co.,
551 F.2d 804 (10th Cir. 1977) 11

Blanco v. Xtreme Drilling & Coil Servs.,
2020 U.S. Dist. LEXIS 121996 (D. Colo. Mar. 8, 2020) 12

City of Detroit v. Grinnell Corp.,
495 F.2d 448 (2d Cir. 1974)....................19

Cotte v. CVI SGP Acquisition Tr.,
2023 WL 1472428 (D. Utah Feb. 2, 2023) 14, 19

Eisen v. Carlisle & Jacquelin,
417 U.S. 156 (1974)....................22

Gelt Trading Ltd. v. Co-Diagnostics, Inc.,
2023 WL 5334623 (D. Utah Aug. 18, 2023) 14

Giles v. The Inflatable Store, Inc.,
2009 WL 801729 (D. Colo. Mar. 24, 2009) 11

Gradie v. C.R. Eng., Inc.,
2020 U.S. Dist. LEXIS 218287 (D. Utah Nov. 20, 2020) 18

In re Advanced Battery Techs., Inc. Sec. Litig.,
298 F.R.D. 171 (S.D.N.Y. 2014) 19

In re Conn's, Inc. Sec. Litig.,
No. 4:14-cv-00548 (S.D. Tex.) 15

In re Crocs, Inc. Sec. Litig.,
306 F.R.D. 672 (D. Colo. 2014) 17

In re Crocs, Inc. Sec. Litig. ("Crocs I"),
2013 WL 4547404 (D. Colo. Aug. 28, 2013) 12, 18

In re Molycorp, Inc. Sec. Litig.,
2017 U.S. Dist. LEXIS 215174 (D. Colo. Feb. 15, 2017) 16, 17

In re NASDAQ Mkt.-Makers Antitrust Litig.,
187 F.R.D. 465 (S.D.N.Y. 1998) 17

In re Samsung Top-load Washing Mach. Mktg., Sales Prod. Liab. Litig.,
2020 U.S. Dist. LEXIS 90759 (W.D. Okla. May 22, 2020), *aff'd*, 997 F.3d 1077 (10th Cir. 2021)....................16

In re Thornburg Mortg., Inc. Sec. Litig.,
912 F. Supp. 2d 1178 (D.N.M. 2012) 21

Lucas v. Kmart Corp.,
234 F.R.D. 688 (D. Colo. 2006) 12, 16

Martinez v. Reams,
2020 WL 7319081 (D. Colo. Dec. 11, 2020)....................14

O'Dowd v. Anthem, Inc.,
2019 U.S. Dist. LEXIS 153610 (D. Utah Sept. 9, 2019)....................12, 17

Or. Labs. Emps. Pension Tr. Fund v. Maxar Techs. Inc.,
2024 WL 98387 (D. Colo. Jan. 1, 2024)....................11, 22

Peace Officers' Annuity & Benefit Fund of Ga. v. DaVita Inc.,
2021 WL 1387110 (D. Colo. Apr. 13, 2021)....................14

Peace Officers' Annuity and Benefit Fund of Ga. v. DaVita Inc.,
2021 WL 2981970 (D. Colo. July 15, 2021) 20

Rutter & Wilbanks Corp. v. Shell Oil Co.,
314 F.3d 1180 (10th Cir. 2002) 13

Tennille v. Western Union Co.,
785 F.3d 422 (10th Cir. 2015) 22

Tuten v. United Airlines, Inc.,
41 F. Supp. 3d 1003 (D. Colo. 2014)....................11

Voulgaris v. Array Biopharma, Inc.,
60 F.4th 1259 (10th Cir. 2023) 20

Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.,
396 F.3d 96 (2d Cir. 2005)....................23

Statutes, Rules, and Regulations

11 U. S. Code

§105....................7

§362 6

15 U. S. Code

§78u-4(a)(4) 21

§78u4(a)(3)(B)(iii)(I)(cc) 14

Federal Rules of Civil Procedure .... *passim*

Rule 23(a)(4) 14

Rule 23(c)(2) 22

Rule 23(e)(1) 12

Rule 23(e)(2)(C)(ii) 20

Rule 23(e)(2)(C)(iii) 20

Rule 23(e)(2)(C)(iv) 21

Rule 23(e)(2)(D) 21

Federal Rules of Bankruptcy Procedure

Rule 7023 7

Rule 9014(c) 6

Rule 9019 7

Other Authorities

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RELIEF REQUESTED

Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey ("Lead Plaintiffs"), on behalf of themselves and all other members of the proposed Settlement Class, through Court-appointed Lead Counsel, Scott+Scott Attorneys at Law LLP, respectfully move this Court for an Order, pursuant to Federal Rule of Civil Procedure 23: (i) preliminarily approving a proposed settlement (the "Settlement") of the above-captioned action between Lead Plaintiffs, on behalf of themselves and the Class, as defined below, and Ellen E. Ostrow, the Chapter 7 trustee (the "Trustee") for the bankruptcy estate (the "Estate") of SafeMoon US, LLC ("SafeMoon" or the "Debtor Defendant"), (ii) approving the form and manner of providing notice of the proposed Settlement to the Settlement Class, including the procedures and deadlines for objecting, seeking exclusion from the Settlement Class, and submitting Claim Forms; (iii) scheduling a date for a hearing (the "Settlement Fairness Hearing") to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed plan of allocation for the Settlement proceeds (the "Plan of Allocation"), Lead Counsel's application for an award of attorneys' fees and expenses, and Lead Plaintiffs' request for an award for the time and expenses they incurred prosecuting the above-captioned action; (iv) appointing Stretto, Inc. as the Claims Administrator to administer the Settlement; and (v) granting such other and further relief as the Court may deem fair and proper.

I. INTRODUCTION

Lead Plaintiffs, on behalf of the Class, and the Trustee for the Debtor Defendant (together, the "Parties") have reached a global resolution to resolve this securities class action as well as related claims in the Debtor Defendant's Chapter 7 proceeding (the "Action") for an estimated initial payment of $12,000,000 (the "Estimated Initial Settlement Amount") into the Settlement Fund for the benefit of Class Members. In addition, depending on the outcome of additional legal proceedings and recovery actions in the Debtor Defendant's Chapter 7 proceeding in the Bankruptcy Court, there is a possibility of a subsequent payment into the Settlement Fund. The Settlement's terms are set forth in the Stipulation and Agreement of Settlement and Release (the "Stipulation"), filed simultaneously herewith.[1]

The Settlement is also the product of extensive arm's-length negotiations between the Settling Parties, which included a court ordered settlement conference with Chief Magistrate Judge, the Honorable Dustin Pead. Prior to settlement, Lead Counsel undertook an extensive investigation before the filing of the initial and amended complaints in this action. Among other things, Lead Counsel's investigation included: (a) an extensive factual investigation of the events underlying SafeMoon's rise and subsequent bankruptcy; (b) reviewing and analyzing the representations made by SafeMoon and its principals on social media; (c) reviewing and analyzing industry reports and comprehensive news reports, press releases, and other media files concerning SafeMoon; (d) thoroughly reviewing publicly filed documents in *In re Safemoon US, LLC*, Case No. 2:23-25749 (Bankr. D. Utah); (e) reviewing complaints and filings in *USA v. Karony*, Case No. 1:23-cr-00433 (E.D.N.Y.) and *Securities and Exchange Commission v. SafeMoon LLC*, Case No. 1:23-cv-08138 (E.D.N.Y.); and (f) interviewing impacted investors as well as industry experts. The Parties reached this Settlement after the Debtor Defendant's motion to dismiss was fully briefed and an order issued as to the non-debtor Defendants. There can be no doubt that by the time the Settlement

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[1] Unless otherwise stated or defined, all capitalized terms used herein shall have the meanings provided in the Stipulation. The Stipulation is attached as Exhibit 1 to the Declaration of John T. Jasnoch in Support of Preliminary Approval, filed herewith.

was reached, Lead Counsel and Lead Plaintiffs were fully informed about the strengths and weaknesses of the case.

Lead Plaintiffs and Lead Counsel, based on their experience, evaluation of the facts and applicable law, their recognition of the near-term payment of the Estimated Initial Settlement Amount, and the risk and expense of continued litigation, submit that the proposed Settlement is fair, reasonable, and adequate. The Settlement constitutes an excellent result and is in the best interests of the Class. Accordingly, Lead Plaintiffs respectfully request that the Court grant preliminary approval of the Settlement so that notice may be provided to the Class.

Lead Plaintiffs request that this Court enter the Parties' agreed-upon [Proposed] Order Preliminarily Approving Settlement and Providing for Notice ("Preliminary Approval Order"), submitted herewith as Exhibit A to the Stipulation, which, among other things, will: (i) preliminarily approve the Settlement on the terms set forth in the Stipulation; (ii) approve the form and content of the Notice of Pendency and Proposed Settlement of Class Action ("Notice") and Summary Notice attached as Exhibits A-1 and A-3 to the Stipulation, respectively, in connection with the Proposed Settlement, as well as the processing of Proofs of Claim; (iii) find that the procedures for distribution of the Notice and publication of the Summary Notice in the manner and form set forth in the Preliminary Approval Order constitute the best notice practicable under the circumstances, and comply with the notice requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and §21D(a)(7) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 ("PSLRA"); and (iv) set a schedule and approve procedures for: disseminating the Notice and publication of the

Summary Notice; requesting exclusion from the Class; objecting to the Settlement, the Plan of Allocation, Lead Counsel's application for attorneys' fees and expenses, and/or Lead Plaintiffs' request for an award for the time and expenses incurred prosecuting the Action; submitting papers in support of final approval of the Settlement; and the Settlement Fairness Hearing. Lead Plaintiffs respectfully propose the schedule for proceeding with final approval of the Settlement set forth in Section VI below.

II. RELEVANT BACKGROUND

A. The Commencement and Nature of the Action

The Debtor Defendant, SafeMoon US, LLC, was a cryptocurrency and blockchain company based in Pleasant Grove, Utah that was created in March 2021. Concurrent with its inception, the Debtor created and sold a SafeMoon token ("SafeMoon Token" or "SFM Token") that trades on the BNB Smart Chain, Polygon, and Ethereum blockchains. The value of the SFM Token increased exponentially in its first month of existence, with the SafeMoon Token's market capitalization reaching billions of dollars in April 2021. Over time, however, allegations that the Debtor's principals made misrepresentations and engaged in other alleged misconduct led to a sharp reduction in the market price of the SFM Tokens.

This Securities Action was filed in the Central District of California on February 17, 2022 (the "California District Court"). On May 9, 2022, Lead Plaintiffs and Lead Counsel moved under the PSLRA to be appointed lead plaintiffs and lead counsel, and each Lead Plaintiff submitted a signed certification identifying their transactions in SafeMoon Tokens, and attesting to their willingness to represent the Proposed Class. By order dated June 7, 2022, the California District Court consolidated two related SafeMoon class actions determined (after the sixty-day PSLRA notice period for moving for appointment as the class representative had expired) that Lead Plaintiffs were the "most adequate plaintiffs" and appointed them as lead plaintiffs in the consolidated Securities Action. *See* ECF No. 52. Pursuant to the Lead Plaintiff Order, the California Federal Court (a) granted Lead Plaintiffs the authority to "represent the Class" in the Securities Action and any subsequent "related actions"; and (b) appointed Scott+Scott Attorneys at Law LLP ("Scott+Scott" or "Lead Counsel") as lead counsel in the Securities Action, with the authority to "speak for all plaintiffs and Class members in all matters regarding the litigation, including, but not limited to, pre-trial proceedings, motion practice, trial and settlement." *Id*.

On October 5, 2022, the Securities Litigation was transferred to the District of Utah, and was thereafter assigned to this Court. On March 17, 2023, the operative Complaint was filed, the First Amended Complaint (the "Complaint"). In May 2023, Defendants filed four separate motions to dismiss. *See* ECF Nos. 149-150; 152; 156. In July 2023, Lead Plaintiffs filed their opposition briefs. ECF Nos. 165-168.

On March 29, 2024, the Court issued its omnibus order on the motions to dismiss in the Securities Litigation. The Court dismissed a number of claims without prejudice but found that Lead Plaintiffs had adequately stated claims for violation of Section 12(a)(1) of the Securities Act against the non-debtor SafeMoon entity Defendants as well as against Individual Defendants Braden Karony ("Karony") and Thomas Smith. The District Court also found that Lead Plaintiffs have adequately stated a control person claim pursuant to Section 15 of the Securities Act against Individual Defendant Karony.

B. The DOJ Indictment and SEC Complaint

On November 1, 2023, an indictment was unsealed in the Eastern District of New York charging various individuals with fraud and conspiracy, including the Debtor Defendant's former CEO, Karony. *See USA v. Karony*, No. 1:23-cr-00433 (E.D.N.Y.). The indictment closely tracked the allegations asserted by Lead Plaintiffs in this Action, namely, that defendants had committed securities fraud in connection with the SafeMoon entities and sale of SafeMoon Tokens. Also on

November 1, 2023, the Securities and Exchange Commission ("SEC") filed a civil complaint against the Debtor Defendant and related persons and entities which also closely tracked the allegations here. *See S.E.C. v. SafeMoon LLC*, No. 1:23-cv-08138, ECF No. 1 (E.D.N.Y. Nov. 1, 2023).

On May 21, 2025, Karony was convicted of securities fraud conspiracy, wire fraud conspiracy, and money laundering conspiracy.

C. The Chapter 7 Proceeding

On December 14, 2023, the Debtor Defendant filed its Chapter 7 proceeding. *See* Bankruptcy ECF No. 1. Pursuant to the automatic stay pursuant to 11 U.S.C. §362, this Action was stayed as to the Debtor Defendant. The Office of the United States Trustee appointed the Trustee as the chapter 7 trustee for the Debtor Defendant's estate. The Trustee is a fiduciary for the creditors of the Debtor and has no relationship with the Debtor Defendant or its principals.

On June 11, 2024, Lead Plaintiffs filed a Motion for Order Certifying the Class for Purposes of the Class Claim Pursuant to Fed. R. Civ. P. 23 and Fed. R. Bankr. P. 7023 and 9014(c) (the "Class Claim Motion") asking the Bankruptcy Court to certify a class of SafeMoon investors for the purposes of pursuing a Class Proof of Claim against the Debtor. Lead Plaintiffs further requested to be appointed as Class Representatives and appoint Lead Counsel as Class Counsel.

D. The Mediation/Settlement Process

In March of 2023, Lead Plaintiffs, the Debtor Defendant, and the other SafeMoon parties held a mediation with Robert Meyer, Esq. of JAMS. The mediation was preceded by the submission of detailed mediation briefs outlining the parties' views on settlement and the merits of the case. Although the mediating parties participated in the March 2023 mediation in good faith, the case did not settle, and active litigation continued.

Following the filing of the Class Claim Motion, on July 18, 2024, the District Court issued its Order Referring Contested Matter for Mediation (Bankruptcy ECF No. 203), and the hearing on Lead Plaintiffs' Class Claim Motion was continued. On August 9, 2024, an order was issued setting the settlement conference for October 9, 2024 and a pre-settlement conference call for October 2, 2024.

On October 2, 2024, the Parties held their pre-settlement conference call with Judge Pead where progress was made toward settlement. Judge Pead directed the parties to further meet and confer and rescheduled the settlement conference for October 16, 2024. On October 9, 2024, the Lead Plaintiffs held a lengthy meet-and-confer teleconference with the Trustee, the Trustee's counsel, and the Trustee's advisors and additional progress was made toward settlement. On October 16, 2024, the Settling Parties held their settlement conference with Judge Pead. Following arm's-length negotiations through Judge Pead, the parties agreed to a global resolution of the Securities Action and the Class Claim Motion, subject to certain post-mediation conditions precedent to the Settlement. The post-mediation conditions precedent to the Settlement have been satisfied, and this Settlement in this long running litigation is respectfully submitted for Court approval.

E. Settlement Proceedings in the Bankruptcy Court

On September 16, 2025, the long form Settlement was executed. On September 17, 2025, the Trustee filed the Motion for an Order Pursuant to 11 U.S.C. § 105 and Rules 9019 and 7023 of the Federal Rules of Bankruptcy Procedure to Approve the Settlement Agreement (the "Motion to Approve"). Bankr. ECF No. 302 (attached as Exhibit 2). On September 30, 2025, an objection was filed by class member Mike Suminski, the only class member who objected. Bankr. ECF No. 305. On October 6, 2025, Karony and his affiliated entities, Ronin Real Estate Holdings LC and Ronin Crypto Group LC filed an objection. Bankr. ECF No. 308. On October 7, 2025, the Trustee filed a reply to the lone class member objection. Bankr. ECF No. 310. On November 12, 2025, the Trustee and Lead Plaintiffs filed separate replies to the Karony objection. Bankr. ECF Nos. 332 and 335 (attached as Exhibits 3 and 4 respectively).

On November 20, 2025, a hearing on the Motion to Approve was held in the Bankruptcy Court before the Honorable Peggy Hunt. *See* Bankr. ECF No. 344. On December 3, 2025, the Bankruptcy Court issued an order authorizing the Trustee to proceed with the Settlement in this Court. *See* Bankr. ECF No. 350 (attached as Exhibit 5).

III. SUMMARY OF THE SETTLEMENT

The proposed Settlement will result in the creation of an initial cash settlement fund consisting of an initial payment of an estimated Twelve Million dollars ($12,000,000) in cash (the "Settlement Fund"), which will be deposited in a separate, interest-bearing account. Depending on the outcome of additional legal proceedings and recovery actions in the Debtor Defendant's Chapter 7 proceeding in the Bankruptcy Court, there is a possibility of a subsequent payment into the Settlement Fund. All payments are non-reversionary. Stipulation, ¶1. In exchange for payment(s) into the Settlement Fund, the Action will be dismissed as to the Debtor Defendant, the Lead Plaintiffs' Class Claim Motion in the Bankruptcy Court will be resolved, and all Releasing Parties will release their claims. *Id.*, ¶5.

Further, the Plan of Allocation developed by the Trustee and its advisors, in consultation with Lead Counsel, allocates the proceeds of the Settlement—net of any Court-approved fees and expenses—in a *pro rata* fashion among the Settlement Class. *See id.*, ¶13; Ex. A-1 (Notice) at pg. 6. The recovery of individual Class Members under the Plan of Allocation will depend on several variables, including: the aggregate value of the Class Member's SafeMoon Token purchases, whether SafeMoon Tokens were sold, and if so, when, and how much was sold. *See id.* The Net

Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims.

The Notice, attached as Exhibit A-1 to the Stipulation, explains the terms of the Settlement, including that the Net Settlement Fund will be distributed to eligible Class Members who submit valid and timely Proofs of Claim pursuant to the proposed Plan of Allocation (which is also included in the Notice). *See generally* Stipulation, Ex. A-1. The Notice also advises Class Members of, among other information: (i) Lead Counsel's application for attorneys' fees and expenses and Lead Plaintiffs' requests for an award for the time and expenses they incurred prosecuting the Action; (ii) the procedures for objecting to the Settlement, the Plan of Allocation, or the request for attorneys' fees and expenses and Lead Plaintiffs' requested award; (iii) the means by which Class Members can exclude themselves from the Settlement; and (iv) the date, time, and location of the Settlement Fairness Hearing. *See id.*

If the Court grants preliminary approval, the proposed Claims Administrator[2] will serve: (i) the Notice of Pendency of Class Action and Proposed Settlement in substantially the same form attached to the Stipulation of Settlement (**Exhibit A-1**, the "Settlement Notice"); (ii) the Proof of Claim and Release (**Exhibit A-2,** the "Proof of Claim"); (iii) the Notice of Motion for Attorneys' Fees and Expenses; and (iv) Summary Notice, substantially in the form attached as **Exhibit A-3**, all of which are to be distributed by the Claims Administrator to known creditors on the creditor matrix and to other potential members of the Class via

[2] The Settling Parties jointly propose that the Court appoint Stretto, Inc., as instructed by the Trustee, to serve as the Claims Administrator. Stretto is a well-known claims administrator with substantial experience in administering class action settlements and bankruptcies and is already handling claims in connection with the Debtor Defendant's Chapter 7 proceeding.

publication through social media channels, a dedicated settlement website, and on one of the following online Cryptocurrency media outlets: Coindesk, CoinTelegraph, and/or The Block. Lead Counsel also agrees to publish the Summary Notice via a press release on a newswire service. *See* Stipulation, Ex. A (Preliminary Approval Order), ¶5(a).

As discussed below (at §IV.C.5), Lead Plaintiffs believe that the proposed Settlement, which is the result of an arm's-length negotiation through Judge Pead, represents a very favorable result for the Class because it provides a significant recovery, particularly when compared to the risks that continued litigation might result in a smaller recovery, or no recovery at all. While Lead Plaintiffs and Lead Counsel believe the claims asserted against the Debtor Defendants have merit, Lead Plaintiffs would have faced substantial challenges in establishing liability and damages on these novel claims and recovering on any substantial judgment. The Settlement will result in the creation of an initial cash settlement fund consisting of an initial payment of at least Twelve Million dollars ($12,000,000) in cash (the "Settlement Fund"), which will be deposited in a separate, interest-bearing account. Depending on the outcome of additional legal proceedings in the Bankruptcy Court, there is a possibility of a subsequent payment into the Settlement Fund. The roughly $12,000,000 recovery equals an excellent result in an action with a limited amount of funds in the Debtor Defendant's Chapter 7 proceeding that was subject to several competing claims.

Finally, Lead Plaintiffs faced substantial risks that, if the Action proceeded to trial, they would not be able to recover any substantial judgment obtained because the Debtor Defendant had limited assets to fund a settlement, and the recovered Chapter 7 funds have been diminished (and would continue to be rapidly depleted) by the costs of defending numerous related actions and investigations brought in the wake of SafeMoon's collapse. It therefore provides a significant recovery for Class Members in a case where Lead Plaintiffs and Lead Counsel were well-positioned to assess the Action's strengths and weaknesses, including the potential limitations on damages and recovery, prior to agreeing to accept the proposed Settlement.

At this stage, the Court need not engage in a detailed analysis of the fairness of the Settlement, as that is reserved for the hearing on final approval, at which time interested Settlement Class Members and Lead Plaintiffs' and Settling Defendants' Counsel will be heard on the matter.

IV. THE SETTLEMENT WARRANTS PRELIMINARY APPROVAL

A. The Standards for Preliminary Approval of a Proposed Settlement

The Tenth Circuit has recognized that "the inveterate policy of the law is to encourage, promote, and sustain the compromise and settlement of disputed claims." *Am. Home Assurance Co. v. Cessna Aircraft Co.*, 551 F.2d 804, 808 (10th Cir. 1977) (citation modified); *see also Giles v. The Inflatable Store, Inc.*, 2009 WL 801729, at *5 (D. Colo. Mar. 24, 2009) ("The law favors and encourages the resolution of controversies by contracts of compromise and settlement rather than by litigation.") (citation modified). This policy has even more force in complex class actions such as this one, "where substantial judicial resources can be conserved by avoiding formal litigation." *Tuten v. United Airlines, Inc.*, 41 F. Supp. 3d 1003, 1007 (D. Colo. 2014) (citation modified); *see also Or. Labs. Emps. Pension Tr. Fund v. Maxar Techs. Inc.*, 2024 WL 98387, at *4 (D. Colo. Jan. 1, 2024) ("The presumption in favor of voluntary settlement agreements is especially strong in class actions.") (citation modified).

Federal Rule of Civil Procedure 23(e) requires judicial approval for a settlement of claims brought as a class action. Review of a class action settlement is a two-step process. The court first performs a preliminary review to determine whether notice should be sent to the class; and then, after notice is provided and a hearing set, the court makes a final determination as to whether the settlement is "fair, reasonable and adequate." Fed. R. Civ. P. 23(e)(2). Strong judicial and public policy favors settlements, particularly in the class and complex actions. *See, e.g.*, *O'Dowd v. Anthem, Inc.*, 2019 U.S. Dist. LEXIS 153610, at *35 (D. Utah Sept. 9, 2019). At this stage, Lead Plaintiffs seek preliminary approval of the Settlement, authorization of notice of the Settlement to be given to the Class, scheduling of the Settlement Fairness Hearing, and the granting of such other and further relief as the Court may deem fair and proper. *Lucas v. Kmart Corp.*, 234 F.R.D. 688, 693 (D. Colo. 2006); *see also In re Crocs, Inc. Sec. Litig. ("Crocs I")*, 2013 WL 4547404, at *3 (D. Colo. Aug. 28, 2013) ("Preliminary approval of a class action settlement, in contrast to final approval, is at most a determination that there is . . . probable cause to submit the proposal to class members and hold a full-scale hearing as to its fairness.") (citation modified).

The present stage requires only that the Court find that the proposed settlement "appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class and falls within the range of possible approval." *Blanco v. Xtreme Drilling & Coil Servs.*, 2020 U.S. Dist. LEXIS 121996, at *3 (D. Colo. Mar. 8, 2020) (citation modified). Pursuant to Rule 23(e)(1), at this stage, the issue is whether the Court "will likely be able to: (i) approve the proposal under Rule 23(e)(2); and (ii) certify the class for purposes of judgment on the proposal." Rule 23(e)(2) lists a set of factors that the Court must consider in determining whether the settlement is "fair, reasonable, and adequate":

(A) the Plaintiffs and Lead have adequately represented the class;

(B) the proposal was negotiated at arm's-length;

(C) the relief provided for the class is adequate, taking into account:

 (i) the costs, risks, and delay of trial and appeal;

(ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;

(iii) the terms of any proposed award of attorney's fees, including timing of payment; and

(iv) any agreement required to be identified under Rule 23(e)(3); and

(D) the proposal treats class members equitably relative to each other.

As explained below, Lead Plaintiffs respectfully submit that they have met all of the requirements imposed by Rule 23(e)(2) and, therefore, respectfully request that the Court grant preliminary approval.[3]

B. The Settlement Satisfies Each of the Rule 23(e)(2) Factors

1. Lead Plaintiffs and Lead Counsel Have Adequately Represented the Class

In weighing approval, courts consider whether "the class representatives and class counsel have adequately represented the class," which involves an inquiry into any conflicts between Lead Plaintiffs and the Class and the ability of Lead Plaintiffs and Lead Counsel to conduct the litigation. Fed. R. Civ. P. 23(e)(2)(A); *see also Rutter*, 314 F.3d at 1187-88 ("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

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[3] In connection with final approval, the Court will also be asked to consider the Tenth Circuit's long-standing approval factors, many of which overlap with the Rule 23(e)(2) factors: "(1) whether the proposed Settlement was fairly and honestly negotiated; (2) whether serious questions of law and fact exist, placing the ultimate outcome of the litigation in doubt; (3) whether the value of an immediate recovery outweighs the mere possibility of future relief after protracted and expensive litigation; and (4) the judgment of the parties that the Settlement is fair and reasonable." *Rutter & Wilbanks Corp. v. Shell Oil Co.*, 314 F.3d 1180, 1188 (10th Cir. 2002); *see also* Fed. R. Civ. P. 23(e)(2) advisory committee note to 2018 amendment (noting that the Rule 23(e)(2) factors are not intended to "displace" any factor previously adopted by the Court of Appeals). These factors are, likewise, satisfied here.

plaintiffs and their counsel prosecute the action vigorously on behalf of the class?") (citation modified); *Cotte v. CVI SGP Acquisition Tr.*, 2023 WL 1472428, at *7 (D. Utah Feb. 2, 2023) (noting that courts have "analyzed the adequacy of representation [under Rule 23(e)(2)(A)] by evaluating adequacy under Rule 23(a)(4)") (citation modified).

Lead Plaintiffs note that their prior appointment as Lead Plaintiffs under the Private Securities Litigation Reform Act also supports a finding that the Lead Plaintiffs are typical and adequate settlement class representatives, given that in order to have been appointed lead plaintiffs the District Court was required to find *(inter alia)* that they "satisfie[d] the requirements of Rule 23." 15 U.S.C. §78u4(a)(3)(B)(iii)(I)(cc); *see also Gelt Trading Ltd. v. Co-Diagnostics, Inc.*, 2023 WL 5334623, at * 6 (D. Utah Aug. 18, 2023) ("Ultimately, there is no indication that Plaintiff has any conflict of interest with other class members or that Plaintiff will not prosecute the action vigorously on the class's behalf. This is why the court previously issued an order appointing Gelt as the lead plaintiff.").

Lead Plaintiffs, like the other Class Members, purchased SafeMoon (SFM) Tokens during the Class Period, and were injured by the same alleged wrongdoing. *Martinez v. Reams*, 2020 WL 7319081, at *6 (D. Colo. Dec. 11, 2020) (finding adequate representation where "there is nothing in the record or proposed settlement agreement that raises obvious concerns regarding interclass conflicts"); *see also Peace Officers' Annuity & Benefit Fund of Ga. v. DaVita Inc.*, 2021 WL 1387110, at *4-*5 (D. Colo. Apr. 13, 2021) (noting that "Plaintiffs' interest in obtaining the largest-possible recovery in this class action was firmly aligned with all class members").

Moreover, Lead Plaintiffs and Lead Counsel have vigorously represented the Class both by prosecuting the Action since its inception, through the motion to dismiss and the

Bankruptcy proceedings (as set forth herein), and by negotiating a favorable Settlement for an initial estimated payment of $12 million, plus the possibility of a subsequent payment into the settlement fund. Lead Counsel also note that they are well qualified and highly experienced in securities class action litigation and have recovered hundreds of millions of dollars for investors.[4]

As required by Rule 23(e)(2)(A), Lead Plaintiffs and Lead Counsel have adequately represented the Class by vigorously prosecuting the Action. Lead Counsel devoted significant time on this case, including, *inter alia*: a comprehensive investigation of the claims resulting in the filing of the initial complaints filed in this matter, filing papers in support of Lead Plaintiffs' PSLRA appointment motion, filing a detailed consolidated complaint and then a subsequent detailed amended complaint; defending against and overcoming Defendants' motions to dismiss, representing Lead Plaintiffs' interests in the Debtor Defendant's Chapter 7 proceeding, filing the Class Claim Motion in the Chapter 7 proceeding, and engaging in extensive settlement negotiations with Trustee, the Trustee's Counsel and Advisors, and Judge Pead. Lead Counsel has also worked with the Trustee and Trustee's Counsel in formalizing the settlement and presenting it to this Court and the Bankruptcy Court for approval.

Further, as discussed below (at §IV.C.5), Lead Plaintiffs and Lead Counsel's achievement of an initial payment of $12,000,000, plus the possibility of a subsequent

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[4] Recoveries obtained by Scott+Scott, acting as lead or co-lead counsel, include: *In re Micro Focus Int'l plc Sec. Litig.*, No. 18-cv-01549 (Cal. Super. Ct. San Mateo Cnty.) ($107.5 million settlement); *In re SanDisk LLC Sec. Litig.*, No. 3:15-cv-01455 (N.D. Cal.) ($50 million); *In re Wash. Mut. Mortg. Backed Sec. Litig.*, No. 2:09-cv-00037 (W.D. Wash.) ($26 million); *In re Conn's, Inc. Sec. Litig.*, No. 4:14-cv-00548 (S.D. Tex.) ($22.5 million); and *Abadilla v. Precigen, Inc.*, No. 5:20-cv-06936 (N.D. Cal.) ($13 million settlement).

settlement residual fund, represents an excellent result for the Class. Among other things, the settlement amount is far above the median securities class action settlement from 2015-2024 where individual investors served as lead plaintiffs.[5] In the current case, "Plaintiffs and Lead Counsel were well-informed about the strengths and weaknesses of the Action, enabling them to appropriately consider the terms of the Settlement, the risks associated with continued litigation, and ultimately, the Settlement's fairness, reasonableness, and adequacy." *In re Vivint Solar, Inc. Sec. Litig.*, No. 2:20-cv-00919-JNP-CMR, ECF No. 87 at 8 (D. Utah. Nov 10, 2021); *In re Samsung Top-load Washing Mach. Mktg., Sales Prod. Liab. Litig.*, 2020 U.S. Dist. LEXIS 90759, at *64-*65 (W.D. Okla. May 22, 2020), *aff'd*, 997 F.3d 1077 (10th Cir. 2021) ("The parties' view of a settlement as fair and reasonable is to be given considerable weight.") (collecting cases).

2. The Proposed Settlement Was Negotiated at Arm's-Length

The Settlement here is the product of fair, honest, and vigorous negotiations between experienced and informed counsel under the supervision of a highly experienced mediator. First, the proposed Settlement was the product of extensive arm's-length negotiations among highly experienced counsel knowledgeable about the Action. *In re Molycorp, Inc. Sec. Litig.*, 2017 U.S. Dist. LEXIS 215174, at *13 (D. Colo. Feb. 15, 2017). Settling parties are entitled to a presumption that a proposed settlement is fair and reasonable where the settlement "resulted from arm's length negotiations between experienced counsel." *Lucas*, 234 F.R.D. at 693.

Moreover, as noted above, settlement negotiations were supervised by Chief Magistrate Judge Pead. Courts in this Circuit and elsewhere have held that the involvement

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[5] Laarni T. Bulan & Eric Tam, *Securities Class Action Settlements: 2024 Review & Analysis*, CORNERSTONE RESEARCH (last visited Nov. 21, 2025), at 3, https://www.cornerstone.com/wp-content/uploads/2025/03/Securities-Class-Action-Settlements-2024-Review-and-Analysis.pdf.

of an experienced mediator strongly supports the fairness of a proposed settlement, and the Settling Parties respectfully submit that Judge Pead in particular is "a highly qualified mediator" who possesses considerable expertise in mediating complex cases. *In re Myriad Genetics, Inc. Sec. Litig.*, No. 2:19-cv-00707-JNP-DBP, ECF No. 285 (D. Utah Aug. 25, 2023) (finding "probative that the Settlement was negotiated at arm's length under the oversight of experienced mediators"); *see also In re Crocs, Inc. Sec. Litig.*, 306 F.R.D. 672, 679, 690 (D. Colo. 2014) (citing the parties' mediation before an experienced mediator in support of preliminary approval of a proposed settlement); *Molycorp*, 2017 U.S. Dist. LEXIS 215174, at *13-*14 (same).

In addition, Lead Counsel, a nationwide leader in securities and cryptocurrency related class actions which has a thorough understanding of the factual and legal issues in the overlapping securities and bankruptcy actions, supports the Settlement. Courts have consistently given "great weight . . . to the recommendations of counsel, who are most closely acquainted with the facts of the underlying litigation." *In re NASDAQ Mkt.-Makers Antitrust Litig.*, 187 F.R.D. 465, 474 (S.D.N.Y. 1998) (citation modified); *see also O'Dowd*, 2019 U.S. Dist. LEXIS 153610, at *41 ("The recommendation of a settlement by experienced plaintiffs' counsel is entitled to great weight.") (citation modified). Moreover, the Lead Plaintiffs who were appointed pursuant to the PSLRA have endorsed the Settlement.

The Settlement is the product of an arm's-length negotiation overseen by an experienced mediator and has been approved by lead plaintiffs appointed pursuant to the PSLRA, with guidance and input from experienced and informed counsel. It is, therefore, presumptively fair, reasonable, and adequate.

3. The Proposed Settlement Is Adequate in Light of the Costs, Risks, and Delay of Trial and Appeal

In assessing the adequacy of a proposed settlement, courts balance the benefits afforded to the class—including the immediacy and certainty of a recovery—against the significant costs, risks, and delay of proceeding with the action through trial and inevitable appeal. Fed. R. Civ. P. 23(e)(2)(C)(i). While Lead Plaintiffs believe their claims have merit, if litigation were to proceed, Lead Plaintiffs would first have to prevail on the anticipated motion to dismiss, which had been stayed as to the Debtor Defendant. The Debtor Defendant reserves all rights as to the merits of the case, and would likely to continue to set forth strong arguments on the merits of the case. *Crocs I*, 2013 WL 4547404, at *12 ("Given the uncertainty of plaintiffs' likelihood of success on the merits and the prospects of prolonged litigation, the Court finds that immediate recovery outweighs the time and costs inherent in complex securities litigation, especially when the prospect is some recovery versus no recovery."). Lead Plaintiffs would also face significant risks on summary judgment, class certification, and/or at a trial on the merits, including a likely battle of experts on securities fraud issues like loss causation and damages. *See, e.g.*, *Gradie v. C.R. Eng., Inc.*, 2020 U.S. Dist. LEXIS 218287, at *32-*34 (D. Utah Nov. 20, 2020) (noting risk of denial of class certification and "serious questions of law and fact" which could "result in no recovery at all" and that "any result that would come from proceeding with the case is likely years away"). Further litigation related to the Class Claim Motion in the Bankruptcy Court would have likewise used limited resources that can now go towards the settlement of these claims.

The instant Action faced numerous risks. While Lead Plaintiffs believe their claims to be meritorious, they recognize that there are significant hurdles to proving liability or even proceeding to trial. In their motion to dismiss, the Debtor Defendant articulated defenses to the Complaint that the Court may have accepted at the class certification or summary judgment stage. If the bankruptcy stay were to be lifted, the Settling Parties would have proceeded with protracted and expensive litigation. Discovery would have been time-consuming and expensive, including significant fees for document production and hosting as well as for expert testimony regarding class certification, damages, and other matters. Lead Plaintiffs would also have faced significant obstacles in proving liability at trial. Resolving the Parties' disputes would likely have come down to an unpredictable and hotly disputed "battle of the experts."

Accordingly, in the absence of a settlement, there was a very real risk that the Class would have recovered an amount significantly less than the total Settlement Amount—or nothing at all. *See Cotte*, 2023 WL 1472428, at *6 (finding "[t]he value of immediate relief to the class outweighs the possibility of future relief"); *City of Detroit v. Grinnell Corp.*, 495 F.2d 448, 463 (2d Cir. 1974) (in assessing the Settlement, the Court should balance the benefits afforded the Class, including the immediacy and certainty of a significant recovery, against the risk of trial). Furthermore, if Lead Plaintiffs and Lead Counsel managed to obtain any recovery at trial, almost certain appeals from any judgment would likely have put that recovery at risk, while entailing further delay and expense. *In re Advanced Battery Techs., Inc. Sec. Litig.*, 298 F.R.D. 171, 178 (S.D.N.Y. 2014) (approving settlement in light of including "the risks, complexity, duration, and expense of continuing litigation," including defendants' likelihood of appeal) (citation modified). For all of the preceding reasons, when viewed in the context of the risks, costs, delay, and the uncertainties of further proceedings, the $12,000,000 Settlement Amount plus the possibility of a subsequent payment, strongly weighs in favor of preliminary approval of the Settlement.

4. The Proposed Method for Distributing Relief Is Effective

As discussed further below, the methods of the proposed notice and of the claims administration process are effective and satisfy Rule 23(e)(2)(C)(ii). The notice plan includes the Claims Administrator sending the: (i) Settlement Notice; (ii) Proof of Claim; (iii) Notice of Motion for Attorneys' Fees and Expenses; and (iv) Summary Notice, all of which are to be distributed by the Claims Administrator to known creditors on the creditor matrix and to other potential members of the Class via publication through social media channels, a dedicated settlement website, and on one of the following online Cryptocurrency media outlets: Coindesk, CoinTelegraph, and/or The Block. Lead Counsel also agrees to publish the Summary Notice via a press release on a newswire service.

5. Lead Counsel's Maximum Potential Requested Attorneys' Fees and Expenses Are Reasonable and in Line with Similar Recent Cases

Rule 23(e)(2)(C)(iii) addresses "the terms of any proposed award of attorney's fees, including timing of payment." As stated in the Notice (Ex. A-1 at 9), Lead Counsel intend to seek an award of attorneys' fees in an amount up to $1.965 million (or 16.375% of the initial Settlement Fund) and expenses in an amount not to exceed $70,000. This proposed fee is reasonable in light of the work performed by Lead Counsel, and is well within the range of percentage fees that are regularly awarded in securities class actions and other class actions in this Circuit. *See, e.g.*, *Voulgaris v. Array Biopharma, Inc.*, 60 F.4th 1259, 1263-64 (10th Cir. 2023) (upholding district court's award of 33% fees and noting that "awards across a range of percentages may be reasonable"); *Peace Officers' Annuity and Benefit Fund of Ga. V. DaVita Inc.*, 2021 WL 2981970, at *3 (D. Colo. July 15, 2021) ("Courts in the Tenth Circuit have noted that the typical fee award in complex cases is around one third of the common fund.") (citation modified); *In re Thornburg Mortg., Inc. Sec. Litig.*, 912 F. Supp. 2d 1178, 1257 (D.N.M. 2012) ("Fees in the range of 30-40% of any amount recovered are common in complex and other cases taken on a contingency fee basis.") (citation modified).

Further, as explained in the Notice, the Lead Plaintiffs intend to request awards not to exceed a combined $15,000, pursuant to 15 U.S.C. §78u-4(a)(4), in connection with the work they performed and expenses they incurred in representing the Class. Ex A.-1 at 9.

6. The Parties Have No Side Agreements

Rule 23(e)(2)(C)(iv) requires the disclosure of any side agreement. The Parties have no side agreement here.

7. Class Members Are Treated Equitably

The final factor—Rule 23(e)(2)(D)—directs the Court to evaluate whether "the proposal treats class members equitably relative to each other." Fed. R. Civ. P. 23(e)(2)(D). The Plan of Allocation, developed by the Trustee and its advisors, in consultation with Lead Counsel, will govern how Class Members' claims will be calculated and, ultimately, how money will be distributed to Authorized Claimants. The proposed Plan of Allocation treats Class Members "equitably relative to each other" by: (i) applying the same standards to all Class members under the common Plan of Allocation; and (ii) distributing the Net Settlement Fund on a *pro rata* basis based on each Authorized Claimant's (Class Members who submit valid claims) share of the total recognized losses. The Plan of Allocation is consistent with plans of allocation regularly approved by courts in securities class actions, in that it will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. *See* Stipulation, ¶13; Ex. A-1 (Notice) at 6; *See, e.g.*, *Or. Labs. Emps. Pension Tr. Fund*, 2024 WL 98387, at *5 (approving plan allocating fund "to authorized claimants on a *pro rata* basis based on the relative size of their recognized claims").

V. THE MANNER AND FORM OF NOTICE SHOULD BE APPROVED, AND THE PROPOSED CLAIMS ADMINISTRATOR SHOULD BE APPOINTED

As set forth in the proposed Preliminary Approval Order, Lead Plaintiffs propose to give notice to Settlement Class Members by the Claims Administrator sending the: (i) Settlement Notice; (ii) Proof of Claim; (iii) Notice of Motion for Attorneys' Fees and Expenses; and (iv) Summary Notice, to known creditors and publishing to other potential members of the Class via publication through social media channels, a dedicated settlement website, and on one of the following online Cryptocurrency media outlets: Coindesk, CoinTelegraph, and/or The Block. Lead Counsel also agrees to publish the Summary Notice via a press release on a newswire service. This notice program is adequate to satisfy the requirements of Rule 23 and due process. Rule 23(c)(2) directs that the notice be "the best notice that is practicable under the circumstances," Fed. R. Civ. P. 23(c)(2)(B), and Rule 23(e) directs "notice in a reasonable manner." Fed. R. Civ. P. 23(e). To satisfy due process, the notice must be "'reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.'" *Tennille v. Western Union Co.*, 785 F.3d 422, 436 (10th Cir. 2015) (quoting *Eisen v. Carlisle & Jacquelin,* 417 U.S. 156, 174 (1974)).

With respect to the form of the notice, "[t]here are no rigid rules to determine whether a settlement notice to the class satisfies constitutional or Rule 23(e) requirements; the settlement notice must fairly apprise the prospective members of the class of the terms of the proposed settlement and of the options that are open to them in connection with the proceedings." *Wal-Mart Stores, Inc. v. Visa U.S.A., Inc.*, 396 F.3d 96, 114 (2d Cir. 2005) (citation modified). "Notice is 'adequate if it may be understood by the average class member.'" *Id.* (quoting 4 Alba Conte & Herbert B. Newberg, NEWBERG ON CLASS ACTIONS

§11:53, at 167 (4th ed. 2002)). The proposed Notice satisfies this standard. It advises Settlement Class Members of the essential terms of this Settlement, the Plan of Allocation, and information regarding Lead Counsel's motion for attorneys' fees and expenses and Lead Plaintiffs' request for an award for the time and expenses they incurred prosecuting the Action. Among other things, the Notice also will provide specifics on the date, time, and place of the Settlement Fairness Hearing and set forth the procedures for objecting to, or requesting exclusion from, the Settlement. Moreover, the Notice provides this information in a format that is accessible to the reader and is also available, along with all other relevant documents, on the Settlement website, www.SafeMoonSettlement.com.

VI. PROPOSED SCHEDULE OF SETTLEMENT EVENTS

Plaintiffs respectfully request that the Court set a proposed schedule of events leading to the Settlement Fairness Hearing as listed forth below. This schedule is reflected in the proposed Preliminary Approval Order.

Event	Time for Compliance
Deadline for commencing the transmittal of the Notice and Proof of Claim to known creditors and publication through social media channels, creation of a dedicated settlement website, and publication on one of the following online Cryptocurrency media outlets: Coindesk, CoinTelegraph, and/or The Block; Lead Counsel to publish the Summary Notice via a press release on a newswire service (the "Notice Date").	20 calendar days after entry of the Preliminary Approval Order.
Deadline for posting and serving of memoranda in support of approval of the Settlement and Plan of Allocation, Lead Counsel's application for an award of attorneys' fees and expenses, and Plaintiffs' request for an award for the time and expenses they incurred prosecuting the Action.	14 calendar days before the deadline for objections to be filed.

Event	Time for Compliance
Deadline for submitting exclusion requests or Objections.	21 calendar days before the Settlement Fairness Hearing.
Deadline for filing Proofs of Claim.	120 calendar days after the Notice Date.
Deadline for posting and filing of reply memoranda in further support of the Settlement and Plan of Allocation, Lead Counsel's application for an award of attorneys' fees and expenses, and Plaintiffs' requests for an award for the time and expenses they incurred prosecuting the Action.	7 calendar days before the Settlement Fairness Hearing.
Settlement Fairness Hearing.	At the Court's convenience; the Settling Parties respectfully suggest approximately 90 days from the date notice is given pursuant to the Class Action Fairness Act, 28 U.S.C. §1715.

VII. CONCLUSION

Based on the foregoing, Lead Plaintiffs respectfully request that the Court enter the Preliminary Approval Order in connection with the settlement proceedings, which will: (i) preliminarily approve of the proposed Settlement; (ii) approve the proposed form and manner of providing notice to the Class; (iii) schedule the Settlement Fairness Hearing to consider the fairness, reasonableness, and adequacy of the Settlement, and the proposed Plan of Allocation; (iv) appoint Stretto, Inc., under the Direction of the Trustee, as the Claims Administrator; and (v) grant such other and further relief as the Court may deem fair and proper.

DATED: January 15, 2026

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s/ John T. Jasnoch
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Local Counsel for Lead Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by CM/ECF on January 15, 2026, on all counsel or parties of record. Notice of this filing will be sent to all counsel of record by operation of the Court's electronic filing system.

s/ John T. Jasnoch

John T. Jasnoch (admitted *pro hac vice*)
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Lead Counsel for Plaintiffs

(Additional Counsel on Signature Page)

THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH

MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY "HANK" WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM, Defendants	**DECLARATION OF JOHN T. JASNOCH IN SUPPORT OF LEAD PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF PROPOSED CLASS ACTION SETTLEMENT** Case No. 2:22-cv-00642-DBB-JCB Assigned Judge: Hon. David Barlow Referred Magistrate Judge: Jared C. Bennett

I, John T. Jasnoch, pursuant to 28 U.S.C. §1746, hereby declare as follows:

1. I am an attorney admitted *pro hac vice* in the above-captioned matter. I am an attorney with the law firm of Scott+Scott Attorneys at Law LLP ("Scott+Scott"). I have personal knowledge of the matters stated herein and if called upon, I could, and would, competently testify thereto.

2. Mark Combs, Vlad Iacob, and Benjamin Northey ("Lead Plaintiffs") have been appointed as Lead Plaintiffs and Scott+Scott has been appointed Lead Counsel in this case.

3. I make this declaration in support of Lead Plaintiffs' Motion for Preliminary Approval of Proposed Class Action Settlement.

4. Attached are true and correct copies of the following Exhibits:

Exhibit 1: Stipulation and Agreement of Settlement and Release;

Exhibit 2: Motion to Chapter 7 Trustee, Pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rules 9019 and 7023, to: (I) Approve the Settlement Agreement Between the Trustee and Lead Plaintiffs in the Securities Class Action, and (II) Grant Related Relief (ECF No. 302, *In re Safemoon US LLC*, Case No. 23-25749 (Bankr. D. Utah));

Exhibit 3: Reply of Lead Plaintiffs to Objection by Braden John Karony, Ronin Real Estate Holdings, LC., Ronin Energy Group, LC and Ronin Crypto Group LC, (ECF No. 332, *In re Safemoon US LLC*, Case No. 23-25749 (Bankr. D. Utah));

Exhibit 4: Reply of Chapter 7 Trustee to Objection of Braden John Karony, Ronin Real Estate Holdings, LC., Ronin Energy Group, LC and Ronin Crypto Group LC to Trustee's Motion to: (I) Approve the Settlement Agreement

Between the Trustee and Lead Plaintiffs in the Securities Class Action, and (II) Grant Related Relief, (ECF No. 335, *In re Safemoon US LLC*, Case No. 23-25749 (Bankr. D. Utah)); and

Exhibit 5: Order Continuing Hearing on Motion of Chapter 7 Trustee, Pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rules 9019 and 7023, to: (I) Approve the Settlement Agreement Between the Trustee and Lead Plaintiffs in the Securities Class Action, and (II) Grant Related Relief, (ECF No. 350, *In re Safemoon US LLC*, Case No. 23-25749 (Bankr. D. Utah)).

I declare under the penalty of perjury under the laws of the United States of America that the foregoing facts are true and correct.

Executed on January 15, 2026 at San Diego, California.

s/ John T. Jasnoch

Lead Counsel for Lead Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by CM/ECF on January 15, 2026, on all counsel or parties of record. Notice of this filing will be sent to all counsel of record by operation of the Court's electronic filing system.

s/ John T. Jasnoch

EXHIBIT 1

Case 2:22-cv-00642-DBB-JCB Document 213-2 Filed 09/17/25 PageID.1306 Page 2 of 77

EXHIBIT 1

<table>
<tr><td colspan="2">THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH</td></tr>
<tr><td>MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

v.

SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY “HANK” WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM,

Defendants</td><td>Case No. 2:22-cv-00642-DBB-JCB

Assigned Judge: Hon. David Barlow
Referred Magistrate Judge: Jared C. Bennett</td></tr>
<tr><td colspan="2">UNITED STATES BANKRUPTCY COURT

DISTRICT OF UTAH</td></tr>
<tr><td>IN RE

SAFEMOON US LLC,

DEBTOR.</td><td>BANKRUPTCY CASE NO. 23-25749
CHAPTER 7

HONORABLE PEGGY HUNT</td></tr>
</table>

STIPULATION AND AGREEMENT OF SETTLEMENT AND RELEASE

This Stipulation and Agreement of Settlement and Release, dated September 10, 2025 (including any subsequent amendments thereto, the “Stipulation”), is made and entered into by and among: (i) Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey (“Lead Plaintiffs”), on behalf of themselves and the Settlement Class (defined below), by and through Lead Counsel (defined below); and (ii) and Ellen E. Ostrow, the Chapter 7 trustee (the “Trustee”) for the bankruptcy estate (the "Estate") of SafeMoon US, LLC ("SafeMoon" or the "Debtor Defendant"), by and through Trustee's Counsel. Lead Plaintiffs and the Trustee are referred to herein as the "Settling Parties" or simply the "Parties." The Stipulation is intended to fully, finally, and forever resolve, discharge, and settle the Released Claims, subject to the approval of the District Court and Bankruptcy Court and the terms and conditions set forth in this Stipulation.

WHEREAS, on February 17, 2022, the above-captioned civil action (the "Securities Action") was first filed in the United States District Court for the Central District of California against the Debtor Defendant and other defendants, including the Debtor Defendant's former CEO Braden John Karony ("Karony").

WHEREAS, on June 7, 2022, the Lead Plaintiffs were appointed and Scott+Scott Attorneys at Law LLP was appointed as Lead Counsel.

WHEREAS, on October 5, 2022, the Securities Action was transferred to the District of Utah and was thereafter assigned to the District Court Judge David Barlow.

WHEREAS, on March 17, 2023, the operative complaint was filed in the Securities Action.

WHEREAS, on November 1, 2023, an indictment was unsealed in the United States District Court for the Eastern District of New York charging various individuals with fraud and conspiracy, including the Debtor Defendant's former CEO, Karony. *See USA v. Karony et al,* No. 1:23-cr-00433 (E.D.N.Y.) (the "Criminal Case").

WHEREAS, on May 21, 2025, the jury in the Criminal Case convicted Karony of Securities Fraud Conspiracy, Wire Fraud Conspiracy and Money Laundering Conspiracy.

WHEREAS, on November 1, 2023, the Securities and Exchange Commission ("SEC") filed a civil complaint against the Debtor Defendant and related persons and entities. *See S.E.C. v. SafeMoon LLC et al,* No. 1:23- cv-08138 (E.D.N.Y.).

WHEREAS, on December 14, 2023 (the "Petition Date"), the Debtor Defendant filed the above-captioned Chapter 7 proceeding (the "Bankruptcy Case").

WHEREAS, concurrently with the filing of the Bankruptcy Case, the Office of the United States Trustee appointed the Trustee as the chapter 7 trustee for the Estate.

WHEREAS, pursuant to title 11 of the United States Code (the "Bankruptcy Code"), the Trustee is a fiduciary for the creditors of SafeMoon and had no relationship with the Debtor Defendant or its principals prior to the Petition Date.

WHEREAS, on June 11, 2024, Lead Plaintiffs filed a Motion for Order Certifying the Class for Purposes of the Class Claim Pursuant to Fed. R. Civ. P. 23 and Fed. R. Bankr. P. 7023 and 9014(c) (the "Class Claim Motion"), asking the Bankruptcy Court to certify a class of SafeMoon investors for the purposes of pursuing a Class proof of claim against the Debtor Defendant.

WHEREAS, the Bankruptcy Court set a claims bar date of July 22, 2024 (the "Bar Date"), and on July 18, 2024, Lead Plaintiffs filed proof of claim No. 927 against the Estate on behalf of the proposed class ("Claim No. 927").

WHEREAS, rather than go through the time and expense of litigating the Class Claim Motion, the Parties desired to mediate the dispute and on July 18, 2024, the Bankruptcy Court issued its Order Referring Contested Matter for Mediation (Bankruptcy ECF No. 203). On August 9, 2024, the Bankruptcy Court issued an updated order setting the settlement conference for October 9, 2024 and a pre-settlement conference call for October 2, 2024.

WHEREAS, on October 2, 2024, the pre-settlement conference call was held with The Honorable Dustin B. Pead, Chief Magistrate of the District of Utah, and progress was made toward a settlement. Judge Pead directed the parties to meet and confer further and rescheduled the settlement conference for October 16, 2024. On October 9, 2024, the Lead Plaintiffs met and conferred with the Trustee, the Trustee's Counsel, and the Trustee's advisors and further progress was made toward a settlement. On October 16, 2024, the Parties held their settlement conference.

WHEREAS, following protracted good faith, arm's length mediation efforts, conducted by Judge Pead, Lead Plaintiffs and the Trustee (collectively, the "Settling Parties", or simply the "Parties"), by and through their respective counsel, reached a global agreement for the settlement of the Lead Plaintiffs' Class Claim Motion as well as the claims against the Debtor Defendant in the Securities Action, subject to certain post-mediation conditions precedent to the Settlement.

WHEREAS, the post-mediation conditions precedent to the Settlement have been satisfied, subject to District Court and Bankruptcy Court approval of the Settlement and the terms herein.

WHEREAS, notwithstanding their belief that the claims asserted in the Securities Action and in the Class Claim have merit based on their extensive investigations, Lead Plaintiffs and their counsel, Scott+Scott, ("Lead Counsel") recognize and acknowledge that prosecuting the Securities Action against the Debtor Defendant through the pending Class Claim Motion, summary judgment, trial, post-trial motions, and appeals, would involve substantial expense, and likely years of further litigation; that even if they were to eventually prevail in full on their claims there was no assurance that they would be able to collect on any judgment they might obtain against the Debtor Defendant, including in the manner that they are collecting under the Settlement, and that accordingly they believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Class in light of the risks of continued litigation and that it is fair, reasonable and adequate, and is in the best interests of the Class.

WHEREAS, notwithstanding her belief that she had credible objections to the Class Claim Motion and the claims asserted in the Securities Action, the Trustee, based on her business judgment and advice of her advisors, determined to enter into this Settlement, among other reasons, to avoid further expense, and the burden of protracted litigation, to avoid the distraction and diversion of the Estate's resources, to avoid the risks of litigation, and to obtain a full release of all claims and potential claims from the Class Members (defined below).

NOW, THEREFORE, in consideration of the foregoing promises, and for good and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The Securities Action and the Bankruptcy Case

The Debtor Defendant was a cryptocurrency and blockchain company based in Pleasant Grove, Utah that was created in March 2021. Kyle Nagy ("Nagy") was the founder of the Debtor Defendant. Prior to the Debtor's bankruptcy filing, Karony served as the Debtor Defendant's CEO. Other individuals served in key roles at the Debtor Defendant, including, without limitation, Jack Haines-Davies, the Debtor's Chief Operating Officer, Henry Wyatt ("Wyatt"), the Debtor Defendant's Chief Technology Officer, and Thomas Smith ("Smith"), the Debtor's Chief Blockchain Officer. The Debtor Defendant is one of several entities that were part of the SafeMoon corporate structure. Concurrent with its inception, the Debtor Defendant created and sold a SafeMoon token ("SFM Token") that trades on the BNB Smart Chain, Polygon, and Ethereum blockchains. The value of the SFM Token increased exponentially in its first month of existence, with the SFM Token's market capitalization reaching billions of dollars in April 2021. Over time, however, allegations that the Debtor Defendant's principals made misrepresentations and engaged in other alleged misconduct led to a sharp reduction in the market price of the SFM Tokens.

On February 17, 2022, the Securities Action was filed in the United States District Court for the Central District of California against the Debtor Defendant and numerous other parties. On June 7, 2022, the Lead Plaintiffs were appointed and Scott+Scott Attorneys at Law LLP was appointed as Lead Counsel. On October 5, 2022, the Securities Action was transferred to the District of Utah and was thereafter assigned to Judge Barlow. On March 17, 2023, the operative complaint was filed.

In May 2023, the Debtor Defendant and other Defendants filed their motions to dismiss the complaint. On November 1, 2023, an indictment was unsealed in the Eastern District of New York charging various individuals with fraud and conspiracy, including Karony. *See USA v. Karony et al*, No. 1:23-cr-00433 (E.D.N.Y.). Also on November 1, 2023, the SEC filed a civil complaint against the Debtor Defendant and related persons and entities. *See S.E.C. v. SafeMoon LLC et al*, No. 1:23- cv-08138 (E.D.N.Y.).

On December 14, 2023, the Debtor Defendant filed the instant Chapter 7 Bankruptcy Case. By operation of the automatic stay pursuant to § 362 of the Bankruptcy Code, the Securities Action was stayed with respect to the Debtor Defendant. Concurrently with the filing of the Bankruptcy Case, the Office of the United States Trustee appointed the Trustee as the chapter 7 trustee for the Estate. The Trustee is a fiduciary for the creditors of the Debtor and had no relationship with the Debtor Defendant or its principals prior to the Petition Date.

On March 29, 2024, the District Court issued its omnibus order on the motions to dismiss in the Securities Action. The District Court: (i) dismissed Lead Plaintiffs' fraud claims under the Securities Exchange Act of 1934 (the "Exchange Act") without prejudice against all Defendants; (ii) dismissed Lead Plaintiffs' claim under Section 12(a)(1) of the Securities Act of 1933 (the

"Securities Act") for the sale of unregistered securities against Defendants Wyatt and Nagy; (iii) dismissed Lead Plaintiffs' control person claims under Section 15 of the Securities Act without prejudice against Defendants Nagy and Smith; (iv) dismissed the control person claims under Section 20 of the Exchange Act without prejudice; and (v) dismissed Lead Plaintiffs' common law claims for conversion, conspiracy, and unjust enrichment without prejudice; (vi) dismissed Lead Plaintiffs' civil RICO claim without prejudice; and (vii) dismissed Lead Plaintiffs' claims under the Florida Deceptive and Unfair Trade Practices Act without prejudice. Thus, the District Court found that Lead Plaintiffs had adequately stated claims for violation of Section 12(a)(1) of the Securities Act against the non-debtor SafeMoon entity Defendants as well as against Defendants Karony and Smith. The District Court also found that Lead Plaintiffs have adequately stated a control person claim pursuant to Section 15 of the Securities Act against Defendant Karony.

On June 11, 2024, Lead Plaintiffs filed the Class Claim Motion in the Bankruptcy Case asking the Bankruptcy Court to certify a class of SafeMoon investors for the purposes of pursuing a Class proof of claim against the Debtor Defendant. Lead Plaintiffs further requested to be appointed as Class Representatives and to appoint Lead Counsel as Class Counsel. After filing, the Parties worked together to reschedule the hearing for August 21, 2024, with any responses due August 12, 2024. Lead Plaintiffs filed proof of claim No. 927 on July 18, 2024, four days prior to the Bar Date.

Rather than go through the time and expense of litigating the Class Claim Motion, the Parties desired to mediate the dispute. On July 18, 2024, the Bankruptcy Court issued its Order Referring Contested Matter for Mediation (Bankruptcy ECF No. 203). The Court also continued the hearing on Lead Plaintiffs' Class Claim Motion.

On October 2, 2024, the Parties held their preconference call with Judge Pead. Judge Pead directed the parties to further meet and confer and rescheduled the settlement conference for October 16, 2024. On October 9, 2024, the Parties held a meet-and-confer teleconference where additional progress was made toward settlement. On October 16, 2024, the Parties held their settlement conference with Judge Pead. Following arms-length negotiations through Judge Pead, the parties agreed to resolve the Securities Action and the Class Claim Motion, subject to certain post-mediation conditions precedent to the Settlement.

The post-mediation conditions precedent to the Settlement have been satisfied, subject to District Court and Bankruptcy Court approval of the Settlement and the terms herein.

2. <u>Definitions</u>.

The following terms, as used in this Stipulation, have the following meanings:

a. "Allowed General Unsecured Claim" means an allowed unsecured claim against the Estate that (i) is not the Claim No. 927, or (b) a claim entitled to priority under § 507 of the Bankruptcy Code.

b. "Authorized Claimant" means a Class Member (1) who has already submitted or submits to the Claims Administrator a timely and valid Class

Member Proof of Claim, substantially similar in form to that attached to the Notice in Exhibit A-2 hereto, that is approved by the Claims Administrator in whole or in part, or (2) timely filed a proof of claim in the Bankruptcy Case in accordance with the Claims Bar Date Order.

c. "Attorneys' Fee/Costs Cap" means the amount that Lead Counsel has agreed to cap their attorneys' fees and costs application and recovery, which amount shall include all costs and expenses reasonably and actually incurred in connection with obtaining Final Court Approval and be included in their Fee and Expense Application. In the first instance, the Attorneys' Fee/Costs cap shall be $1.8 million. In the event that $12.5 million or more is paid out to the Settlement Class, the Attorneys' Fee/Costs Cap shall be increased by $250,000, for a total of $2.05 million.

d. "Bankruptcy Court" means the United States Bankruptcy Court for the District of Utah.

e. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

f. "Claim No. 927" means the Lead Plaintiffs' proof of claim No. 927 filed on July 18, 2024 against the Estate on behalf of the proposed class and for purposes of this Settlement only, consists of the agreed upon certified settlement class consisting of all purchasers of SFM Tokens from March 8, 2021 to November 1, 2023.

g. "Claimant" means a Person who submits a Class Member Proof of Claim to the Claims Administrator seeking to share in the Settlement Fund, including via a timely filed proof of claim in the Bankruptcy Case in accordance with the Claims Bar Date Order.

h. "Claims Administrator" means the entity to be appointed by the District Court to disseminate Notice to Class Members, as further provided herein, and administer the Settlement. The Parties agree to recommend to the District Court that the Trustee shall be appointed to serve as the Claims Administrator with Stretto as her selected service provider, on such terms as Lead Counsel and the Trustee agree are fair and reasonable (and subject to approval of the Bankruptcy Court).

i. "Claims Bar Date Order" means the Bankruptcy Court's *Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Form and Manner of Notice Thereof; and (III) Granting Related Relief*, entered on April 17, 2024 (Bankr. ECF No. 152).

j. The "Class" or the "Settlement Class" means all persons and entities that purchased SFM Tokens from March 8, 2021 through November 1, 2023.

k. "Class Action Effective Date" means the first date by which all of the events and conditions specified in Paragraph 9 below have been met and have occurred.

l. "Class Member" or "Settlement Class Member" means any Person included in the definition of the Class or Settlement Class as set forth herein, and who does not timely and validly opt out of the Class or Settlement Class in accordance with the exclusion procedure and deadline set by the District Court.

m. "Class Member Proof of Claim" means a Proof of Claim and Release Form substantially in the form attached hereto as **Exhibit A-2**.

n. "Class Representatives" or "Settlement Class Representatives" means the Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey.

o. "Complaint" means the First Amended Complaint in the Securities Action filed on March 17, 2023.

p. "Contemplated Recovery Actions" means potential legal proceedings to be initiated by the Trustee against third parties for causes of action under the Bankruptcy Code and applicable law including, without limitation, under chapter 5 of the Bankruptcy Code and for breach of fiduciary duty.

q. "Cryptocurrency" means a digital currency or crypto asset in which transactions are verified and records maintained by a decentralized system using cryptography, rather than by a centralized authority, including stablecoins, digital coins and tokens, such as security tokens, utility tokens and governance tokens.

r. "District Court" means the United States District Court for the District of Utah.

s. "Estimated Initial Settlement Fund" means approximately $12 million ($12,000,000) of the Estate's cash on hand, which is the amount that is estimated will be allocated to the Claim No. 927 as consideration for the releases provided herein; for avoidance of doubt, this amount is an estimate only and subject to the payment of all Senior Claims.

t. "Excluded Persons" means Debtor Defendant's founders, former officers and directors, members of their immediate families, legal representatives, heirs, successors or assigns, and any entity in which they have or had a direct or indirect controlling interest.

u. “Final Court Approval” means (1) the District Court has entered the Judgment in accordance with Paragraph 8 and the expiration of the time to appeal or seek re-argument, certification, certiorari, or other review with respect to such Judgment or, if any appeal, re-argument, writ of certiorari, or other review is filed and not dismissed, after such Judgment is upheld in all material respects and is no longer subject to re-argument, certification, certiorari, or other review, and (2) the Bankruptcy Court has entered an Order approving the Settlement and the expiration of the time to appeal or seek re-argument, certification, certiorari, or other review with respect to such Order or, if any appeal, re-argument, writ of certiorari, or other review is filed and not dismissed, after such Order is upheld in all material respects and is no longer subject to re-argument, certification, certiorari, or other review.

v. “Final Order Date” means the first business day after Final Court Approval is obtained.

w. “Judgment” means the proposed judgment and final order of dismissal with prejudice to be rendered by the District Court substantially in the form and content attached hereto as **Exhibit B**. “Judgment” also means, to the extent required by the context in this Stipulation, the “Alternate Judgment” as defined below.

x. “Lead Counsel” means Scott+Scott Attorneys at Law LLP.

y. “Net Settlement Fund” means the Estimated Initial Settlement Fund less any District Court-approved attorneys’ fees and expenses awarded to Lead Counsel (up to the Attorneys’ Fees/Costs Cap).

z. “Notices” means collectively the (i) Notice of Pendency and Proposed Settlement of Class Action in substantially the same form attached as **Exhibit A-1**, (the “Settlement Notice”); (ii) Notice of Motion for Attorneys’ Fees and Expenses’; and (iii) Summary Notice, substantially in the form attached as **Exhibit A-3**, all of which are to be distributed by the Claims Administrator to known creditors on the creditor matrix and to other potential members of the Class via publication through social media channels as may be available, a dedicated settlement website, and on one of the following online Cryptocurrency media outlets: Coindesk, CoinTelegraph, and/or The Block. Lead Counsel also agrees to publish the Summary Notice via a press release on a newswire service.

aa. “Person” means an individual, entity, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and/or any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

bb. "Lead Plaintiffs" means Mark Combs, Vlad Iacob, and Benjamin Northey.

cc. "Plan of Allocation" means the plan for allocating the Net Settlement Fund described below, in the Settlement Notice, or in any alternate plan of allocation approved by the District Court, whereby the Net Settlement Fund shall be distributed to Authorized Claimants.

dd. "Preliminary Approval Order" means an order by the District Court substantially similar in form to **Exhibit A** hereto: (i) preliminarily approving the Settlement; (ii) approving the form of the Settlement Notice; and (iii) approving a plan for providing the Notices to Class Members by the Claims Administrator to known creditors on the creditor matrix and to other potential members of the Class via publication through social media channels as may be available, a dedicated settlement website, and on one of the following online Cryptocurrency media outlets: Coindesk, CoinTelegraph, and/or The Block, Lead Counsel's publication via a press release on a newswire service, and/or such other method that is acceptable to the Claims Administrator and approved by the District Court, that is practicable under the circumstances and satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure and the Private Securities Action Reform Act of 1995.

ee. "Released Claims" means all Released Defendants' Claims and all Releasing Lead Plaintiffs' Claims.

ff. "Releasing Lead Plaintiffs' Claims" means any and all individual or class claims, demands, losses, rights, and causes of action of any nature whatsoever, known or Unknown Claims, whether arising under federal, state, common, or foreign law by the Releasing Lead Plaintiff Parties against any of the Released Defendant Parties, that have been or could have been asserted in the securities Action, or could in the future be asserted in any forum, domestic or foreign, or which arise out of, are based upon, or relate to in any way to (i) the purchase, sale, acquisition, or disposition of SFM Tokens and (ii) any of the allegations, acts, transactions, facts, events, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to, in the Securities Action. For the avoidance of doubt, Releasing Lead Plaintiffs' Claims do not include: (i) claims relating to the enforcement of the Settlement; (ii) any claims of Persons who submit a request for exclusion that is accepted by the District Court; and (iii) any Releasing Lead Plaintiffs' Claims against third parties, including those who acted in concert with or aided and abetted any alleged wrongdoing by the Debtor Defendant other than any Released Defendant Parties.

gg. “Released Lead Plaintiff Parties” shall mean Lead Plaintiffs and Lead Counsel.

hh. “Releasing Lead Plaintiff Parties” means each and every Settlement Class Member, Lead Plaintiff, Lead Counsel, and each of their respective past or present trustees, officers, directors, partners, employees, affiliates, contractors, principals, agents, attorneys, predecessors, successors, assigns, insurers, parents, subsidiaries, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, heirs, executors, and administrators of any Releasing Lead Plaintiff Party who is an individual, as well as any trust of which any Releasing Lead Plaintiff Party is the settlor or which is for the benefit of any of their immediate family members. Releasing Lead Plaintiff Parties does not include any Person who timely and validly seeks exclusion from the Settlement Class.

ii. “Released Defendants’ Claims” means all claims and causes of action of any nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common, or foreign law, that the Trustee, the Debtor Defendant or the Estate could have asserted against the Releasing Lead Plaintiff Parties that arise out of, or relate in any way to, the institution, prosecution, or settlement of the claims in the Securities Action, except for claims relating to the enforcement of the Settlement or any claims against any Person who submits a request for exclusion that is accepted by the District Court.

jj. “Released Defendant Parties” means the Trustee, the Trustee’s Counsel and Advisors, the Debtor Defendant, Ronin Crypto Group, LC, Ronin Energy Group, LC, Ronin Money Transfer Operations, LC, Ronin Real Estate Holdings, LC, SafeMoon Media Co. Ltd., SafeMoon, LLC, SafeMoon, Ltd., SafeMoon Connect, LLC, SafeMoon Lithuania (CEX), SafeMoon Media Co. Ltd. or SafeMoon Protocol, Ltd. Released Defendant Parties also means, with respect to the Trustee and Trustee’s Counsel and Advisors, each of their respective past or present direct or indirect subsidiaries, parents, affiliates, principals, successors, and predecessors, assigns, officers, directors, controlling shareholders, underwriters, trustees, partners, agents, fiduciaries, contractors, employees, attorneys, accountants, auditors, financial or investment advisors or consultants, insurers; the spouses, members of the immediate families, representatives, heirs, executors, and administrators of the Trustee and the Trustee’s Counsel and Advisors.

kk. “Released Claims” means the Releasing Lead Plaintiffs’ Claims and the Released Defendants’ Claims.

ll. “Released Parties” means the Released Defendant Parties and the Releasing Lead Plaintiff Parties.

mm. “Releasing Parties” means each of the parties releasing a claim, as defined in the Stipulation.

nn. “SEC Claim” means any claim by the SEC against the Estate including, without limitation, the proof of claim filed against the Estate on July 5, 2024 bearing claim number 602.

oo. “Senior Claims” shall mean all claims against the Estate having priority over the claims of Class Members including, without limitation, compensation, fees and expenses of the Trustee and her professionals (including Trustee’s Counsel and Advisors), claims entitled to priority under § 507 of the Bankruptcy Code and Allowed General Unsecured Claims.

pp. “Settlement” means the settlement contemplated by this Stipulation.

qq. “Settlement Fairness Hearings” means the hearing to be scheduled by the District Court to determine (i) whether the Settlement is fair, reasonable, and adequate; and (ii) consider Lead Counsel’s request for an award of attorneys’ fees and expenses, including an aggregate award of no greater than $15,000 to Lead Plaintiffs, subject to the Attorneys' Fee/Cost Cap..

rr. “Settling Parties” or “Parties” means Lead Plaintiffs and the Trustee.

ss. “Subsequent Settlement Fund” means any additional net assets recovered or liquidated by the Trustee (after payment of fees and expenses to recover such assets), beyond the Estimated Initial Settlement Fund, that may be recovered for the benefit of the Estate and will also be allocated to the Claim No. 927 as consideration for the releases provided herein. Sources of the Subsequent Settlement Fund may include: (i) monies saved upon successful challenge of other creditors’ claims; (ii) sale of previously locked cryptocurrency assets; (iii) assets that may be recovered for the benefit of the Estate in the forfeiture action known as *United States of America v. 680,467.92 Tether Seized from OKX Account User ID 422338420543782467* (E.D. Va.); and (iv) any net assets recovered for the benefit of the Estate through the Contemplated Recovery Actions.

tt. “Trustee” means Ellen E. Ostrow, in her capacity as Chapter 7 trustee for the bankruptcy estate of SafeMoon US, LLC.

uu. “Trustee’s Counsel and Advisors” means Foley & Lardner LLP and Dundon Advisers LLC.

vv. "Unknown Claims" means any Releasing Lead Plaintiffs' Claims which Lead Plaintiffs, any other Settlement Class Member, or any other Releasing Lead Plaintiff Party does not know or suspect to exist in their favor at the time of the release of such claims, which, if known by them, might have affected their decision(s) with respect to this Settlement, including, but not limited to, whether or not to object to this Settlement or seek exclusion from the Class; and any Released Defendants' Claims which any Released Defendant or any other Released Defendant Party does not know or suspect to exist in their favor at the time of the release of such claims, which, if known by them might have affected their decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Class Action Effective Date of the Settlement, Lead Plaintiffs and the Trustee (on behalf of the Debtor Defendant and the Estate) shall expressly waive, and each of the other Settlement Class Members and the Trustee (on behalf of the Debtor Defendant and the Estate) shall be deemed to have waived, and by operation of the Judgment, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, 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.

The Releasing Lead Plaintiff Parties and the Trustee acknowledge that they may hereafter discover facts in addition to, or different from, those which he, she, it, or their counsel now knows or believes to be true with respect to the subject matter of the Releasing Lead Plaintiffs' Claims or Released Defendants' Claims, but the Settling Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Releasing Lead Plaintiff Party and the Trustee (on behalf of the Debtor Defendant and the Estate) shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Class Action Effective Date, and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, heretofore have existed, or may hereafter exist, 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, legal theories, or authorities.

Case 2:23-cv-20744 Document 213-2 Filed 09/17/25 PageID 1918 Page 14 of 77

Lead Plaintiffs, the Trustee and the Trustee's Counsel and Advisors acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

3. Certification of a Settlement Class. The Parties agree, for purposes of this Settlement only, that a settlement class should be certified consisting of all purchasers of SFM Tokens from March 8, 2021 to November 1, 2023, but excluding any such individuals who timely elect to opt out of the Class (the "Settlement Class" and each a "Settlement Class Member"). The Parties also agree to appointment of Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey as Settlement Class Representatives and appointment of Scott+Scott as settlement class counsel ("Class Counsel"). The Settlement Class is to be certified in order to pursue Claim No. 927 against the Estate on behalf of all Settlement Class Members.

4. Subordination of Claim No. 927. The Parties agree that the Claim No. 927 shall be allowed as a subordinated claim under § 510(b) of the Bankruptcy Code. For avoidance of doubt, no distributions on the Claim No. 927 shall be made until all Senior Claims including, without limitation, all Allowed General Unsecured Claims, are paid in full (or reserved for in full for any disputed Senior Claim).

5. Release.

a. Upon the Class Action Effective Date, the Releasing Lead Plaintiff Parties shall, pursuant to and by operation of the Judgment, fully, finally, and forever waive, release, relinquish, dismiss, and discharge the Releasing Lead Plaintiffs' Claims and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Releasing Lead Plaintiffs' Claims against any and all of the Released Defendant Parties, whether or not such Releasing Lead Plaintiff Party executes and delivers the Class Member Proof of Claim or shares in the Net Settlement Fund. Claims to enforce this Stipulation are not released.

b. Any Class Member Proof of Claim that is executed by Class Members shall release all Releasing Lead Plaintiffs' Claims against the Released Defendant Parties and shall be substantially in the form contained in Exhibit A-2 attached hereto

c. Upon the Class Action Effective Date, the Trustee (on behalf of the Debtor Defendant and the Estate) shall, pursuant to and by operation of the Judgment, fully, finally, and forever relinquish and discharge the Released Defendants' Claims against the Released Lead Plaintiff Parties. Claims to enforce this Stipulation are not released.

6. <u>SEC Subordination</u>: The Settlement is contingent upon the SEC agreeing to subordinate the SEC Claim to any recoveries on the Claim No. 927.

7. <u>Settlement Fund</u>.

   a. "Settlement Fund" means the funds to distribution to the Settlement Class, comprising the balance of the Debtor's assets on hand after payment in full of all Senior Claims, which will be allocated to Claim No. 927 as consideration for the releases provided herein.

   b. The Trustee agrees to use best efforts, consistent with her existing fiduciary duties, to recover additional assets for the benefit of creditors of the Estate. To the extent that the Trustee is successful in challenging certain claims, in liquidating currently held assets, and in recovering additional assets included Contemplated Recovery Actions, such assets, after payment in full of all Senior Claims, will be added to the Subsequent Settlement Fund for the benefit of the Settlement Class.

   c. The Trustee agrees to use best efforts to pursue the Contemplated Recovery Actions to obtain additional assets for the Estate for the benefit of all creditors, to the extent that the Trustee, in her sole discretion, deems such Contemplated Recovery Actions to be in the best interests of all creditors. To the extent that additional monies or assets are recovered pursuant to the Trustee's Contemplated Recovery Actions, these funds shall be added to the Subsequent Settlement Fund, subject to any compensation, fees and costs associated with the recovery. In consideration thereof, Lead Plaintiffs and Lead Counsel agree to stay the Securities Action against affiliates of the Debtor Defendant as well as against individual Defendants Karony and Smith such that the Trustee can pursue the Contemplated Recovery Actions. Lead Plaintiffs agree to stay the Securities Action until final judgment is issued in the Trustee's Contemplated Recovery Actions or upon written instruction from Trustee or Trustee's counsel that the claims in the Securities Action may proceed.

8. <u>Preliminary Approval Order and Settlement Fairness Hearing</u>.

   a. As soon as practicable after execution of the Stipulation, the Trustee shall submit the Stipulation together with its exhibits (the "Exhibits") to the Bankruptcy Court and request approval thereof pursuant to Bankruptcy Rule 9019.

   b. As soon as practicable after Bankruptcy Court approval of this Stipulation under Bankruptcy Rule 9019, Lead Plaintiffs 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, and approval of dissemination of the

Settlement Notice and Class Member Proof of Claim and Summary Notice, substantially in the forms of **Exhibit A-1, A-2,** and **A-3** attached hereto.

c. Lead Counsel shall request that the District Court hold the Settlement Fairness Hearing (to consider whether to finally approve the Settlement and Plan of Allocation) on a date no earlier than 90 days from the date of issuance of Notice to the Class. At or after the Settlement Fairness Hearing, Lead Counsel also will request that the District Court approve its Fee and Expense Application (defined below).

d. Any Class Member who wishes to opt out of the Class must submit to Lead Counsel a timely and valid written request (a "Request for Exclusion") on or before the opt-out deadline set forth in the Settlement Notice and Preliminary Approval Order. A Request for Exclusion must be signed by the Class Member and must comply with the other requirements set forth in the Notice and Preliminary Approval Order.

e. If the Settlement contemplated by this Stipulation is approved by the District Court, Lead Counsel shall request that the District Court enter a Judgment substantially in the form annexed hereto as **Exhibit B**.

f. The Parties agree to cooperate to jointly secure the District Court's preliminary and final approval of the Settlement and Bankruptcy Court's approval of the Settlement and will take all actions reasonably necessary to effectuate and implement the terms of the Settlement.

9. <u>Conditions to Settlement</u>.

a. The Settlement is conditioned on each of the following:

i. Entry of the Preliminary Approval Order by the District Court;

ii. The District Court has entered the Judgment, or a judgment substantially in the form and content of **Exhibit B** attached hereto, or a judgment in a form other than that provided above acceptable to all of the Settling Parties (the "Alternate Judgment");

iii. Entry of a non-appealable order by the Bankruptcy Court approving the Stipulation;

iv. Final Court Approval by the District Court;

v. Agreement by the SEC to subordinate the SEC Claim to any recoveries on the Claim No. 927.

b. Upon the occurrence of all of the events referenced in Paragraph 9.a hereof, the rights of the Settlement Class to the Net Settlement Fund (subject to the terms hereof) shall fully vest.

10. Termination.

a. The Trustee and Lead Plaintiffs, through their respective counsel, shall each have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so ("Termination Notice") to all other parties hereto within thirty (30) days of: (a) the District Court's final non-appealable refusal to enter the Preliminary Approval Order in any material respect; (b) the District Court or Bankruptcy Court's final non-appealable refusal to approve this Stipulation or any material part of it; (c) the District Court's final non-appealable refusal to enter the Judgment in any material respect; or (d) the date upon which the Judgment is finally modified or reversed in any material respect by an appellate court. Any orders with respect to Lead Counsel's Fee and Expense Application (defined below) shall not be a ground for termination of the Settlement or for the Settlement not becoming final.

11. Effect of Termination or Failure to Obtain Approval.

If this Stipulation does not obtain final approval and the Judgment (or any Alternate Judgment) does not become final and non-appealable, or if the Stipulation is terminated pursuant to Paragraph 10, the Parties shall be deemed to have reverted *nunc pro tunc* to their respective status as of September ___, 2025, and the Securities Action shall proceed in all respects as if this Stipulation and related orders had not been executed and without prejudice in any way from the negotiation, terms, or existence of this Settlement. Further, in that event:

a. This Settlement and all of the negotiations, discussions, and statements with respect hereto, shall be inadmissible in the Securities Action for all purposes and shall not entitle any party to recover costs incurred in connection with the implementation of this Settlement.

b. All Parties reserve and have not waived any rights or arguments by entering into this Stipulation, including any arguments and/or defenses with respect to liability.

c. The Stipulation and any subsequent Settlement documents shall be null and void and inadmissible in any proceeding before any court or tribunal.

12. Administration of the Settlement Fund.

a. The Trustee, as Claims Administrator, subject to such supervision and direction of the Bankruptcy Court, shall oversee distribution of the Net

Settlement Fund to Authorized Claimants. The Net Settlement Fund should be administered as follows:

i. Pay the amount awarded to Lead Counsel by the District Court on their Fee and Expense Application (subject to the Attorneys' Fees/Costs Cap); and

ii. as soon as practicable upon the entry by this District Court of the Final Approval Order, and as approved by the Bankruptcy Court, make an initial distribution of some of the Net Settlement Fund, to Class Members pursuant to the Plan of Allocation, which generally provides that for each SFM Token purchased or otherwise acquired from March 8, 2021 through November 1, 2023, inclusive (the "Class Period"), the "Recognized Loss" for each such share shall be calculated as set forth below. For SFM Tokens purchased on or after March 8, 2021 and on or before November 1, 2023, inclusive, the Recognized Loss shall be equal to (a) the amount the Claimant paid for the SFM Token(s) during that period, **less** (b) the amount, if any, the Claimant received in any sale of such SFM Tokens on or before the Petition Date. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero and the Claimant shall not be entitled to any recovery from the Settlement Fund.

b. Each Class Member who fails to submit a valid and timely Request for Exclusion shall be deemed to have submitted to the jurisdiction of the Bankruptcy Court with respect to their claim.

c. Upon the Effective Date and thereafter, in accordance with the Bankruptcy Code and the Bankruptcy Rules, and after satisfaction of all Senior Claims (or reserving in full for any disputed Senior Claims), and in accordance with the terms of the Stipulation, the Plan of Allocation, or such further order(s) of the Bankruptcy Court as may be necessary or as circumstances may require, the Trustee, in her discretion, shall make distributions from the Net Settlement Fund to Authorized Claimants at such times and in such amounts that in her discretion maximize the value of the Net Settlement Fund as part of her duty to administer the Estate.

d. By the date set forth in the Notice or such other time as may be set by the District Court, each Class Member shall be required to submit to the Claims Administrator a completed Class Member Proof of Claim, substantially in the form and content of **Exhibit A-2** hereto, with such documentation as required therein, and signed under penalty of perjury.

e. Each Class Member Proof of Claim shall be reviewed by the Claims Administrator, with the guidance and input of Lead Counsel, and the Claims

Administrator shall determine in accordance with this Stipulation and the approved Plan of Allocation, the extent, if any, to which each claim shall be allowed, subject to review by the Bankruptcy Court.

f. Class Member Proofs of Claim that do not meet the submission requirement may be rejected. Prior to rejecting a Class Member Proof of Claim, in whole or in part, the Claims Administrator shall provide notice to the Claimant to allow the claimant the chance to remedy any curable deficiencies in the Class Member Proof of Claim submitted pursuant to Bankruptcy Rule 3007.

g. Except as otherwise ordered by the Bankruptcy Court, all Class Members who fail to timely submit a Class Member Proof of Claim within the time set forth in the Notice, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments pursuant to this Stipulation and the Settlement set forth herein, but will in all other respects be subject to and bound by the provisions of this Stipulation, the releases contained herein, and the Judgment. Any Class Member who fails to submit a Class Member Proof of Claim by the date approved by the Court shall be forever barred from receiving any payment pursuant to the Settlement (unless, by order of the Bankruptcy Court, a later submitted Class Member Proof of Claim by such Class Member is approved), but shall in all other respects be bound by all of the terms of the Settlement as set forth herein, including the terms of the Final Judgment and the release and covenant not to sue, and will be barred from bringing any action against the Released Parties. Further, each Claimant shall be deemed to have submitted to the jurisdiction of the Bankruptcy Court with respect to the Claimant's claim.

h. Class Members who filed a proof of claim in the Bankruptcy Case in accordance with the shall be deemed to have timely submitted a Class Member Proof of Claim for purposes of this Stipulation ("Bankruptcy Case Claimants"). The Claims Administrator shall be authorized to request additional information from Bankruptcy Case Claimants in order to have the claims of such Bankruptcy Case Claimants include the content set forth on **Exhibit A-2** hereto, with such documentation as required therein. If Bankruptcy Case Claimants fail to respond to any such request by the Trustee within 30 days of such request, then the Trustee (as Claims Administrator) may seek disallowance of the proof of claim of such Bankruptcy Case Claimant.

i. Each Claimant who declines to be excluded from the Class shall be deemed to have submitted to the jurisdiction of the Bankruptcy Court with respect to the Claimant's claim, including, but not limited to, all releases provided for herein and in the Judgment, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure and Federal Rules of Bankruptcy Procedure, provided that such investigation and discovery shall be limited to the Claimant's status as a Class Member and the validity and amount of the Claimant's claim. In connection with processing the Class Member Proof of Claim and Releases, no discovery shall be allowed on the merits of the Litigation or the Settlement. All proceedings with respect to the administration, processing, and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Bankruptcy Court, but shall not in any event delay or affect the finality of the Judgment. All Class Members, other Claimants, and the Settling Parties expressly waive trial by jury (to the extent any such right may exist).

j. Payment pursuant to the Settlement shall be deemed final and conclusive against all Class Members, and shall be conditioned upon filing an appropriate Class Member Proof of Claim, as set forth herein, including execution of the release and covenant not to sue. All Class Members whose claims are disallowed shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Settlement as set forth herein, including the terms of the Final Judgment and the release and covenant not to sue and will be barred from bringing any action against the Released Defendant Parties.

k. The Claims Administrator shall calculate the claims of Authorized Claimants, determine the extent to which claims shall be allowed, and oversee distribution of the Net Settlement Fund in accordance with the Plan of Allocation. The Bankruptcy Court shall have jurisdiction over the claims process, subject to the appellate rights of any party.

l. Each Authorized Claimant shall be allocated a pro rata share of the Net Settlement Fund based on his, her, or its claim to the extent allowed by the Claims Administrator, subject to the terms and conditions herein (a "Recognized Claim"), compared to the total Recognized Claims of all accepted claimants.

m. In addition to Paragraph 16 hereof, no Person shall have any claim against Lead Plaintiffs, Lead Counsel, the Trustee, the Trustee's Counsel and Advisors or other professionals retained by the Trustee, or the Trustee as Claims Administrator, based on distributions of the Settlement Fund made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Bankruptcy or District Courts; and no Person shall have any Claims against the Released Defendants or the Released Defendant Parties based on distributions of the Settlement Fund, whether or not made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Bankruptcy Court.

n. The Net Settlement Fund shall be distributed to 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 three (3) months from the date of the final distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), the Trustee, shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is de minimis and no longer economically feasible to distribute to Class Members. Thereafter, any balance which still remains in the Net Settlement Fund shall be paid to the Bankruptcy Court's Unclaimed Funds Registry.

o. 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 Bankruptcy Court separately from the Bankruptcy Court's and District Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation. 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 Bankruptcy Court's Order or District Court's Judgment approving the Stipulation and the Settlement set forth therein, or any other orders entered pursuant to the Stipulation.

p. The provisions of the Agreement regarding the administration of the Settlement Fund and distribution of the Net Settlement Fund to Authorized Claimants may be modified or adjusted as ordered or required by the Bankruptcy Court for efficient claims administration.

q. Upon the Class Action Effective Date, the Settlement shall be deemed final and conclusive against all Class Members in all respects, including, but not limited to, the execution of the release and covenant not to sue.

r. Following the Class Action Effective Date, neither the Trustee nor the Debtor Defendant shall have any reversionary interest in the Settlement Fund, *i.e.* this is not a claims-made settlement.

13. Plan of Allocation

The Claims Administrator shall calculate the claims of Authorized Claimants, determine the extent to which claims shall be allowed, and oversee distribution of the Net Settlement Fund in accordance with the Plan of Allocation approved by the Courts, subject to the jurisdiction of the Bankruptcy Court and any appellate court.

Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Claim, compared to the total Recognized Claims of all accepted claimants.

The Claims Administrator shall distribute the Net Settlement Fund pursuant to the methodology developed by her as Trustee, as informed by the Trustee's advisors and Lead Counsel, which in sum provides for the following plan of allocation:

a. Subject to final approval of the Bankruptcy Court and at such times in her discretion, the Claims Administrator will distribute the Net Settlement Fund to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the aggregate Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

b. Class Members shall be entitled to a subsequent distribution such that each member of the Settlement Class will receive its share of the Net Settlement Fund (valued in U.S. dollars) on a *Pro Rata* basis. This *Pro Rata* distribution is calculated based on the value of the Class Member's claim in proportion to the total value of eligible Class Member claims in the aggregate.

c. Any Plan of Allocation shall not be deemed to be part of the Settlement, and in the event that the Bankruptcy Court declines to approve the proposed plan of allocation, the Parties agree to cooperate in good faith to propose (and obtain approval of) an alternate plan of allocation.

14. <u>Attorneys' Fees and Costs</u>.

a. Lead Counsel may submit an application or applications (the "Fee and Expense Application") for distributions to it from the Settlement Fund for: (a) an award of attorneys' fees and litigation expenses incurred in connection with prosecuting the Securities Action and seeking approval of the Settlement through Final Court Approval, including any appeals, and providing the required Notices; and (b) an amount pursuant to 15 U.S.C. §77z-1(a)(4) in connection with Lead Plaintiffs' representation of the Class (the "Fee and Expense Award"). Lead Counsel agrees to not seek a Fee and Expense Award exceeding $2.05 million in fees and expenses (the "Attorneys' Fees/Costs Cap") and to waive any award to the extent it exceeds the Attorneys' Fees/Costs Cap.

b. The Attorneys' Fees/Costs Cap shall initially be $1.8 million. To the extent that the payout to the Settlement Fund exceeds $12,500,000, Lead Counsel

Case 2:23-cv-00482-DBB Document 213-2 Filed 09/17/25 PageID.1927 Page 23 of 77

shall be entitled to seek an additional award of $250,000, for a total of $2.05 million.

c. Unless requested by the District Court or Bankruptcy Court, the Trustee and Trustee's Counsel shall take no position on any application by Lead Counsel for an award of attorneys' fees, costs, or expenses in connection with this Settlement. Attorneys' fees, costs, and/or expenses awarded to Lead Counsel (including taxes thereon, as applicable) shall be paid solely out of, and shall not be in addition to, the Settlement Fund.

d. The amount of the Fee and Expense Award ordered by the District Court is within the discretion of the District Court. Any Fee and Expense Award awarded by the District Court shall be payable to Class Counsel from the Settlement Fund, as ordered, immediately after the District Court executes an order awarding such fees and expenses notwithstanding any objection or appeal thereto; *provided however,* that the Bankruptcy Court has entered a final non-appealable order approving the Settlement. This is subject to the joint and several obligations of all counsel and Lead Plaintiffs who receive any award of attorneys' fees, costs, and expenses to make full refunds or repayments to the Trustee, plus interest earned thereon, if the award is lowered or the Settlement is disapproved by a final order not subject to further review.

e. The Settlement is not conditioned upon any award of attorneys' fees, costs, or expenses to Lead Counsel. Any order or proceedings relating to the application for attorneys' fees, costs, and/or expenses, any appeal from any order relating thereto or reversal or modification thereof, or any award that is less than Lead Counsel requested, shall not operate to terminate or cancel the Settlement, or affect or delay the finality of the Judgment approving the Settlement.

15. <u>No Admission</u>.

The Parties agree that the proposed Settlement is a compromise of disputed claims and in no way represents, and may not be construed as, or received in evidence as, an admission of liability or an admission against interest or an admission of any wrongdoing whatsoever by any of the Settling Defendants. The Settlement shall not be construed as, or received in evidence as, an admission, concession, or presumption against the Lead Plaintiffs or any of the Class Members that any of their claims are without merit, or that any defenses asserted by the Settling Defendants have any merit, or that damages recoverable in the Action would not have exceeded the Settlement Fund. The Settlement and all negotiations, discussions, and proceedings in connection with the Settlement shall not create an inference of wrongdoing, and are inadmissible for any purpose other than the enforcement of the terms of this Settlement.

16. <u>Liability</u>. Neither the Parties nor their counsel shall have any liability for any act, omission, or determination of the Claims Administrator, or any of her respective designees or

agents, in connection with the administration of the Settlement Fund, the payment or withholding of any taxes, tax expenses, and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of any returns, or otherwise.

17. Costs. Each party shall bear his, her, or its own costs, expenses, and legal fees, except as awarded to Lead Counsel from the Settlement Fund.

18. Stay of Proceedings. Pending Final Court Approval, the Parties shall not seek relief in any forum, and all proceedings in the Securities Action shall be stayed and suspended, except that the Parties shall take all such action and file such papers as are necessary and appropriate to effect the consummation and approval of the Settlement. Pending Final Court Approval, subject to approval of the Court, all Class Members shall be barred and enjoined from prosecuting any of the Releasing Lead Plaintiffs' Claims against any of the Released Defendant Parties.

19. CAFA Notice. Pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715 ("CAFA"), no later than ten (10) calendar days after this Stipulation is filed with the District Court, Lead Counsel shall complete or cause to be completed service on the appropriate federal and state government officials of all notices required under CAFA, and shall thereafter notify Lead Counsel as to completion of such service. The Claims Administrator shall cooperate in the provision of information concerning Class Members as reasonably necessary to facilitate such service.

20. Authority. Lead Counsel, on behalf of the Class, is expressly authorized by Lead Plaintiffs to take all appropriate action required or permitted to be taken by the Class pursuant to this Stipulation to effectuate its terms, and also is expressly authorized to enter into any modifications or amendments to this Stipulation on behalf of the Class which it deems appropriate. Each counsel or other Person executing this Stipulation, its Exhibits, or any related Settlement document, on behalf of any party hereto hereby warrants that such Person has the full authority to do so, and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms, subject to Final Court Approval, without requiring additional consent, approval, or authorization of any other Person, board, entity, tribunal, or other regulatory or governmental authority.

21. No Privilege Waiver. Nothing in the Stipulation, or the negotiations relating thereto, is intended to, or shall be deemed to, constitute a waiver of any applicable privilege or immunity, including, without limitation, attorney-client privilege, joint defense privilege, or work product protection.

22. Governing Law. This Stipulation shall be governed by, and construed in accordance with, the laws of the State of Utah, without regard to Utah conflict of law rules. All disputes regarding the existence, validity, or enforceability of this Stipulation shall be filed in the Bankruptcy Court. If any disputes arise out of the finalization of the settlement documentation or the Settlement itself prior to submission to the Court of the application for preliminary approval of the Settlement, those disputes will be resolved by the Bankruptcy Court.

23. Party Notice. When this Stipulation requires or contemplates that one party shall give notice to another, notice shall be provided by e-mail and next-day (excluding weekends) express delivery service as follows:

a. If to Lead Plaintiffs and the Class, then to:

SCOTT+SCOTT ATTORNEYS AT LAW LLP
John T. Jasnoch
600 W. Broadway, Suite 3300
San Diego, CA 92101
Telephone: 619-233-4565
Facsimile: 619-233-0508
jjasnoch@scott-scott.com

b. If to the Debtor Defendant, then to:

FOLEY & LARDNER LLP
Geoffrey S. Goodman
321 North Clark Street, Ste. 3000
Chicago, IL 60654
Telephone: 312.832.4514
Email: ggoodman@foley.com

FOLEY & LARDNER LLP
Ellen E. Ostrow, Trustee (#14743)
95 State Street, Suite 2500
Salt Lake City, Utah 84111
Telephone: 801.401.8900
Email: eostrow@foley.com

24. Successors. Except as otherwise provided herein, this Stipulation shall be binding upon, and shall inure to the benefit of, the Parties and their respective agents, successors, executors, heirs, and assigns.

25. No Party Is the Drafter. None of the Parties hereto shall be considered to be the drafter of this Stipulation or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof. All Parties agree that this Stipulation was drafted at arm's length, and that no parol or other evidence may be offered to explain, construe, contradict, or clarify its terms, the intent of the Parties or their counsel, or the circumstances under which the Stipulation was made or executed.

26. Calculation of Time Period. All time periods set forth herein shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Stipulation or by order of Court, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so

computed shall be included, unless it is a Saturday, a Sunday, or a federal holiday, in which case the period shall run until the end of the next day that is not one of the aforementioned days. As used herein, "legal holiday" includes New Year's Day, Martin Luther King, Jr., Day, Presidents' Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Indigenous Peoples' Day, Veterans Day, Thanksgiving Day, Christmas Day, and any other day appointed as a federal holiday.

27. Entire Agreement. This Stipulation, including the Exhibits thereto, contains the Parties' entire agreement, and supersedes any prior oral or written agreements, negotiations, and/or communications by the Parties on the subject matter hereof.

28. Amendment; Waiver. This Stipulation shall not be modified in any respect except by a writing executed by all the Parties hereto, and the waiver of any rights conferred hereunder shall be effective only if made by written instrument of the waiving party. The waiver by any party of any breach of this Stipulation shall not be deemed or construed as a waiver of any other prior, subsequent, or contemporaneous breach of this Stipulation.

29. Federal Rule of Civil Procedure Rule 11 Compliance. The Parties agree that each has fully complied with Rule 11 of the Federal Rules of Civil Procedure.

30. Execution. This Stipulation may be executed in counterparts by facsimile or original signature, each of which shall constitute and be deemed one and the same instrument. Each of the attorneys executing this Stipulation on behalf of their respective client(s) hereby represents and warrants that they have full power and authority to do so.

SCOTT+SCOTT
ATTORNEYS AT LAW LLP

John Jasnoch

John T. Jasnoch
on behalf of Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey

Dated: 9/5/2025

Ellen Ostrow

Ellen Ostrow
Chapter 7 Trustee

Dated: 9/16/2025

EXHIBIT A

(Proposed Order Preliminarily Approving Settlement and Providing for Notice)

THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH

MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY “HANK” WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM, Defendants	Case No. 2:22-cv-00642-DBB-JCB Assigned Judge: Hon. David Barlow Referred Magistrate Judge: Jared C. Bennett

WHEREAS, the Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey (“Lead Plaintiffs”), on behalf of themselves and each Class Member (as defined below), by and through Lead Counsel (defined below); Ellen E. Ostrow, the Chapter 7 trustee (the “Trustee”) for the bankruptcy estate (the “Estate”) of SafeMoon US, LLC (“SafeMoon” or the “Debtor Defendant”), by and through Trustee’s Counsel, entered into a Stipulation of Settlement dated September 10, 2025 (the “Stipulation” or “Settlement”), which is subject to review and approval by this Court and which, together with the Exhibits thereto, sets forth the terms and conditions for the Settlement of the claims alleged in the above-entitled action (the “Action”); and the Court having read and considered the Stipulation and the accompanying documents; and the Parties to the Stipulation having consented to the entry of this Order; and all capitalized terms used herein having the meanings defined in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED, this ___ day of ________, 2025, that:

1. The Court preliminarily finds that:

(a) the Settlement resulted from informed, extensive arm's-length negotiations, including mediation under the direction of a highly experienced mediator, the Honorable Dustin B. Pead, Chief Magistrate of the District of Utah;

(b) the Settlement is sufficiently fair, reasonable, and adequate to warrant providing notice of the Settlement to the Class; and

(c) the Settlement Class shall be composed of all persons and entities that purchased SafeMoon (SFM) tokens from March 8, 2021 through November 1, 2023.

2. A hearing (the "Settlement Fairness Hearing") is hereby scheduled to be held before the Court, either in person or remotely at the Court's discretion, on a date no earlier than 90 days from the date notice is given pursuant to the Class Action Fairness Act, 28 U.S.C. §1715 ("CAFA"), on __________ __, 2025, at _____ a.m./p.m., for the following purposes:

(a) to determine whether the proposed Settlement is fair, reasonable, and adequate, and should be approved by the Court;

(b) to determine whether Judgment as provided under the Stipulation should be entered;

(c) to determine whether the proposed Plan of Allocation should be approved by the Court as fair, reasonable, and adequate;

(d) to consider Lead Counsel's Fee and Expense Application;

(e) to consider the Lead Plaintiffs' requests for the payment of their time and expenses they incurred in prosecuting this litigation on behalf of the Class; and

(f) to rule upon such other matters as the Court may deem appropriate.

3. The Court reserves the right to approve the Settlement with or without modification and with or without further notice to the Class and may adjourn the Settlement Fairness Hearing without further notice to the Class. The Court reserves the right to enter the Judgment approving the Settlement regardless of whether it has approved any Fee and Expense Award.

4. The Court approves the form, substance, and requirements of the Notice of Proposed Settlement of Class Action (the "Notice") and the Summary Notice of Proposed Settlement of Class Action (the "Summary Notice"), annexed hereto as **Exhibits A-1** and **A-2**, respectively, as well as approval of the Proof of Claim and Release form, substantially in the form of **Exhibit A-3** attached hereto.

5. The Court approves the appointment of the Trustee as the Claims Administrator and with Stretto, Inc., as her selected service provider, to supervise and administer the notice procedure in connection with the proposed Settlement as follows:

(a) The Claims Administrator shall cause the Notice, substantially in the form annexed hereto, all of which are to be distributed by the Claims Administrator to known creditors on the bankruptcy creditor matrix and to other potential members of the Class via publication through available social media channels, a dedicated settlement website, and on one of the following online Cryptocurrency media outlets: Coindesk, CoinTelegraph, and/or The Block. Lead Counsel shall also publish the Summary Notice via a press release on a newswire service.

(b) The Claims Administrator shall post the Stipulation and the executed Order Preliminarily Approving Settlement and Providing for Notice on the settlement website. The Claims Administrator shall post to the settlement website the papers in support of the Settlement and the Fee and Expense Application after they are filed. The settlement website shall provide summary information regarding the case and Settlement and highlight important dates, including the date of the Settlement Fairness Hearing. All posted documents shall be available for downloading from the Settlement Website.

6. At least seven (7) calendar days prior to the Settlement Fairness Hearing, Lead Counsel shall file with the Court proof, by affidavit or declaration, of such service, which shall also describe the Claims Administrator's efforts to provide notice to Settlement Class Members in compliance with the specific requirements set forth above.

7. This Order and the Stipulation, whether the Settlement contemplated by the Stipulation is consummated or not, and any statements made or proceedings taken pursuant to them are not, shall not be deemed to be, and may not be argued to be or offered or received:

(a) Against any of the Released Defendant Parties or their legal counsel as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Released Defendant Parties with respect to the truth of any fact alleged in the First Amended Complaint (and earlier complaints filed in the Action, together the "Complaints") or the Action, or the validity of any claim that has been, or could have been, asserted against any of the Released Defendants in the Complaints or the Action, or the deficiency of any defense that has been, or could have been, asserted in the Action, or of any wrongdoing or liability by any of the Released Defendants, or any liability, fault, misrepresentation, or omission with respect to any statement or written document approved or made by any of the Released Defendants;

(b) Against the Lead Plaintiffs or any Settlement Class Member or Lead Counsel as evidence of, or construed as evidence of, any infirmity of the claims alleged by the Lead Plaintiffs in the Complaints or the Action or of any lack of merit to the claims in the Complaints or the Action or of any bad faith, dilatory motive, or inadequate prosecution of the claims in the Complaint or the Action;

(c) Against any of the Released Defendants, the Plaintiffs, or any Settlement Class Member, or their respective legal counsel, as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Released Defendants, the Lead Plaintiffs, or any Settlement Class Member, or their respective legal counsel, with respect to any liability, negligence, fault, or wrongdoing as against any of the Released Defendants, the Lead Plaintiffs, or any Settlement Class Member, or their respective legal counsel, in any other civil, criminal, or administrative action or proceeding, other than such actions or proceedings as may be necessary to effectuate the provisions of the Stipulation by the Parties to such Stipulation;

(d) Against any of the Released Defendants or their legal counsel as evidence of, or construed as evidence of, any presumption, concession, or admission by any of them that any of the Lead Plaintiffs' claims have merit, or that any defenses asserted by the Released Defendants are without merit, or that the Settlement Amount represents the amount which could or would have been received after any trial of the Action against them; or

(e) Against the Lead Plaintiffs or any Settlement Class Member or Lead Counsel as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Plaintiffs or any Settlement Class Member that any of their claims are without merit, or that any defenses asserted by the Released Defendants have any merit, or that damages recoverable in the Action would not have exceeded the Settlement Amount.

8. The form and content of the Notice and the Summary Notice, and the method set forth herein of notifying the Class of the Settlement and its terms and conditions, satisfy all applicable requirements of the Federal Rules of Civil Procedure (including Rules 23(c)-(e)), the U.S. Constitution (including the Due Process Clause), Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as added by the Private Securities Litigation Reform Act of 1995, the Rules of this Court, and other applicable law, and constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

9. In order to be entitled to participate in the Net Settlement Fund, each Class Member shall take the following actions and be subject to the following conditions:

a. Unless you filed a timely proof of claim in SafeMoon's chapter 7 bankruptcy case, Case No. 23-25749 (Bankr. D. Utah), within one hundred twenty (120) days after such time as set by the Court to mail notice to the Class, each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim, substantially in the form contained in **Exhibit A-2** attached hereto and as approved by the Court, supported by such documents as are specified in the Proof of Claim, and signed under penalty of perjury.

b. Except as otherwise ordered by the Court, all Class Members who fail to timely submit a Proof of Claim 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 therein, but will in all other respects be subject to and bound by the provisions of the Stipulation, the releases contained therein, and the Judgment. Notwithstanding the foregoing, the Trustee may, in her discretion, accept for processing late submitted claims so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed, but shall incur no liability for declining to accept a late-submitted claim.

c. As part of the Proof of Claim, each Class Member shall submit to the jurisdiction of the United States Bankruptcy Court for the District of Utah (the "Bankruptcy Court") with respect to the claim submitted and shall (subject to the effectuation of the Settlement) release all Released Claims as provided in the Stipulation.

10. Class Members shall be bound by all determinations and judgments in this Action, whether favorable or unfavorable, whether or not they submit a Proof of Claim, unless they request exclusion from the Class in a timely and proper manner, as hereinafter provided. A Class Member wishing to make such request shall, no later than twenty-one (21) calendar days prior to the date scheduled herein for the Settlement Fairness Hearing, mail a Request for Exclusion in written form by First-Class Mail postmarked to the address designated in the Notice. Such Request for Exclusion shall indicate the name, address, email address, and telephone number of the person seeking exclusion, and that the person requests to be excluded from the Class, and must be signed by such person. The Request for Exclusion shall not be effective unless it is made in writing, within the time stated above, and the exclusion is accepted by the Court. Class Members requesting exclusion from the Class shall not be entitled to receive any payment out of the Net Settlement Fund as described in the Stipulation and Notice.

11. Upon receiving any Request for Exclusion, Lead Counsel shall promptly provide copies of such request(s) to Trustee's counsel within seven (7) calendar days after receiving any Request for Exclusion.

12. Any Settlement Class Member and any other interested person may appear at the Settlement Fairness Hearing or by counsel and be heard, to the extent allowed by the Court, either in support of, or in opposition to, the matters to be considered at the hearing, provided, however, that no person shall be heard, and no papers, briefs, or other submissions shall be considered by the Court in connection to such matters, unless postmarked no later than __________________, 2025, which is twenty-one (21) calendar days prior to the date scheduled herein for the Settlement

Fairness Hearing, and provided such person files with the Court a statement of objection signed by the objector, even if represented by counsel, setting forth: (i) whether the person is a Settlement Class Member; (ii) to which part of the Stipulation the Settlement Class Member objects; and (iii) the specific reason(s), if any, for such objection including any legal support the Settlement Class Member wishes to bring to the Court's attention and any evidence the Settlement Class Member wishes to introduce in support of such objection. Such Settlement Class Member shall also provide documentation sufficient to evidence their membership in the Settlement Class. Settlement Class Members wishing to appear in person at the Settlement Fairness Hearing must also submit a Notice of Intention to Appear with the objection. If the objector intends to appear at the Settlement Fairness Hearing through counsel, the objection must be postmarked no later than __________________, 2025, which is twenty-one (21) calendar days prior to the date scheduled herein for the Settlement Fairness Hearing, and the objection must also state the identity of all attorneys who will appear at the Final Approval Hearing and such counsel must submit a Notice of Intention to Appear with the objection. All objection materials must be sent to the following:

COURT	**CLASS COUNSEL**	**TRUSTEE'S COUNSEL**
Clerk of the Court United States District Court for the District of Utah Orrin G. Hatch United States Courthouse 351 South West Temple, Rm. 10.420 Salt Lake City, Utah 84101	John T. Jasnoch Scott+Scott Attorneys at Law LLP 600 W. Broadway, Suite 3300 San Diego, CA 92101	Geoffrey S. Goodman Foley & Lardner LLP 321 North Clark Street, Ste. 3000 Chicago, IL 6065

13. All papers in support of the Settlement and any Fee and Expense Application shall be filed and served fourteen (14) calendar days prior to the deadline in Paragraph 12 for objections to be filed. All reply papers shall be filed and served at least seven (7) calendar days prior to the Settlement Fairness Hearing.

14. Any Person who is excluded from the Class by virtue of having submitted a valid and timely Request for Exclusion may, at any point up to the day of the Settlement Fairness Hearing, submit a written revocation of Request for Exclusion following the same instructions in Paragraph 10 above.

15. The Court approves the appointment of the Trustee as Claims Administrator, to manage the Settlement Fund for the benefit of the Settlement Class.

16. Upon final Court approval, the rights of the Settlement Class to the Net Settlement Fund shall fully vest, and the Settlement Fund 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 Bankruptcy Court.

17. The Trustee's Counsel and Lead Counsel shall promptly furnish each other with copies of any and all objections that come into their possession.

18. Pending final determination of whether the Settlement should be approved, this Action shall be stayed and the Lead Plaintiffs, all Class Members, and any Person claiming through or on behalf of them, shall not institute, commence, maintain, or prosecute, and are hereby barred and enjoined from instituting, commencing, maintaining, or prosecuting, any proceeding in any court or tribunal that asserts any Releasing Lead Plaintiffs' Claims against any Released Defendant Party, except that the Parties shall take all such actions and file such papers as are necessary and appropriate to effect the consummation and approval of the Settlement.

19. All reasonable expenses incurred in notifying Class Members shall be paid as set forth in the Stipulation.

20. If any specified condition to the Settlement set forth in the Stipulation is not satisfied and Lead Plaintiffs or Trustee elects to terminate the Settlement, then the Stipulation, including any amendment(s) thereof, shall be null and void, of no further force or effect without prejudice to any party, and may not be introduced as evidence or referred to in any action or proceeding by any person or entity for any purpose, and each party shall be restored to their respective position as it existed on September 10, 2025.

21. No Person shall have any claim against Lead Plaintiffs, Lead Counsel, the Settlement Class Members, the Claims Administrator, the Trustee, the Released Defendant Parties, or any other agent designated by the Claims Administrator based on distributions of the Settlement Fund, whether or not made substantially in accordance with the Stipulation and the Settlement contained therein.

22. Pursuant to the Class Action Fairness Act, 28 U.S.C. §1715, the Trustee and Trustee's Counsel shall take reasonable steps to complete service promptly on the appropriate federal and state government officials of all notices required under CAFA, and shall thereafter notify Lead Counsel as to completion of such service.

23. The Court retains jurisdiction over the Action to consider all further matters arising out of, or connected with, the Settlement. The Court may approve the Settlement, with such modifications as may be agreed by the Settling Parties, if appropriate, without further notice to the Class.

DATED: ______________________

____
DAVID BARLOW, U.S.D.J.
DISTRICT OF UTAH

EXHIBIT A-1

(Notice)

THE UNITED STATES DISTRICT COURT DISTRICT OF UTAH	
MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY "HANK" WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM, Defendants	Case No. 2:22-cv-00642-DBB-JCB Assigned Judge: Hon. David Barlow Referred Magistrate Judge: Jared C. Bennett

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS AND ENTITIES THAT PURCHASED SAFEMOON (SFM) TOKENS FROM MARCH 8, 2021 THROUGH NOVEMBER 1, 2023[1]

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

WHY SHOULD I READ THIS NOTICE?

This Notice is given pursuant to an order issued by the United States District Court for the District of Utah (the "District Court"). This Notice serves to inform you of the proposed settlement

[1] All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement and Release dated October xx, 2024 (the "Stipulation"), which is available at www.SafeMoonSettlement.com.

of the above class action lawsuit (the "Settlement") for estimated distributions of approximately $12,000,000 in cash plus the potential for a subsequent settlement fund, which Class Members may be eligible to participate in, and the hearing (the "Settlement Fairness Hearing") to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation. The Stipulation is by and between: (i) Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey, on behalf of themselves and each Class Member (as defined below), by and through Lead Counsel (defined below); and (ii) Ellen E. Ostrow, solely in her capacity as the Chapter 7 trustee (the "Trustee") for the bankruptcy estate (the "Estate") of SafeMoon US, LLC, by and through Trustee's Counsel. Upon and subject to the terms and conditions hereof, Lead Plaintiffs, on behalf of themselves and the Class, on the one hand, and the Trustee, on the other hand (collectively, "Settling Parties"), intend this Settlement to be a final and complete resolution of all disputes between the Settling Parties with respect to the Securities Action. This Notice is not an expression of any opinion by the District Court as to the merits of the claims or defenses asserted in the lawsuit.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
ACTIONS YOU MAY PURSUE	**EFFECT OF TAKING THIS ACTION**
IF YOU HAVE NOT ALREADY SUBMITTED A PROOF OF CLAIM IN THE BANKRUPTCY CASE, SUBMIT A PROOF OF CLAIM FORM POSTMARKED (IF MAILED) OR RECEIVED (IF FILED VIA EMAIL OR ONLINE) NO LATER THAN ___, 2025.	Get payment. You will not have a right to pursue any other lawsuit against the Released Defendants and Released Parties relating to this case.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION POSTMARKED NO LATER THAN ___, 2025.	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Released Defendants and the Released Parties relating to this case.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION POSTMARKED NO LATER THAN ______, 2025.	Write to the District Court about why you don't like the Settlement.
ATTEND THE SETTLEMENT FAIRNESS HEARING ON _____, 2025 AT ______.	Speak in District Court about the fairness of the Settlement.
DO NOTHING	If you did not submit a proof of claim with the Bankruptcy Court by the Bar Date and do nothing in response to this notice, you will receive no payment. You will be deemed to give up your rights.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Bankruptcy Court has authorized the Trustee to enter into the Settlement and has approved the Settlement. The District Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to Allowed Claimants, in accordance with the Plan of Allocation set forth below and as authorized by the Bankruptcy Court, if the Court approves the Settlement and, if there are any appeals, after the appeals are resolved. Please be patient.

WHAT IS THIS LAWSUIT ABOUT?

The Allegations and Status of the Case

The Debtor Defendant SafeMoon US, LLC was a cryptocurrency and blockchain company based in Pleasant Grove, Utah that was created in March 2021. Kyle Nagy ("Nagy") was the founder of the Debtor Defendant. Prior to the Debtor's bankruptcy filing, Braden John Karony ("Karony") served as the Debtor Defendant's CEO. Other individuals served in key roles at the Debtor, including Jack Haines-Davies ("Haines-Davies"), the Debtor's Chief Operating Officer, Henry Wyatt ("Wyatt"), the Debtor's Chief Technology Officer, and Thomas Smith ("Smith"), the Debtor's Chief Blockchain Officer. The Debtor is one of several entities that were part of the SafeMoon corporate structure. Concurrent with its inception, the Debtor created and sold a SafeMoon token ("SFM Token") that trades on the BNB Smart Chain, Polygon, and Ethereum blockchains. The value of the SFM Token increased exponentially in its first month of existence, with the SafeMoon Token's market capitalization reaching the billions of dollars in April 2021. Over time, however, allegations that the Debtor's principals made misrepresentations and engaged in other alleged misconduct led to a sharp reduction in the market price of the SFM Tokens.

On February 17, 2022, the Securities Action was filed in the United States District Court for the Central District of California against the Debtor Defendant, SafeMoon US, LLC, and numerous other parties. On June 7, 2022, the Lead Plaintiffs were appointed and Scott+Scott Attorneys at Law LLP was appointed as Lead Counsel. On October 5, 2022, the Securities Action was transferred to the District of Utah and was thereafter assigned to Judge Barlow. On March 17, 2023, the operative complaint was filed.

In May 2023, the Debtor Defendant and other Defendants filed their motions to dismiss the complaint. On November 1, 2023, an indictment was unsealed in the Eastern District of New York charging various individuals with fraud and conspiracy, including the Debtor Defendant's former CEO, Braden John Karony. *See USA v. Karony et al*, No. 1:23-cr-00433 (E.D.N.Y.) (the "Criminal Case"). Also on November 1, 2023, the Securities and Exchange Commission ("SEC") filed a civil complaint against the Debtor Defendant and related persons and entities. *See S.E.C. v. SafeMoon LLC et al*, No. 1:23- cv-08138 (E.D.N.Y.).

WHEREAS, on May 21, 2025, the jury in the Criminal Case convicted Braden John Karony of Securities Fraud Conspiracy, Wire Fraud Conspiracy and Money Laundering Conspiracy.

On December 14, 2023 (the "Petition Date"), the Debtor Defendant filed the instant Chapter 7 proceeding. By operation of the automatic stay pursuant to 11 U.S.C. § 362, the Securities Action was stayed with respect to the Debtor Defendant. Concurrently with the filing of the chapter 7 case, the Office of the United States Trustee appointed the Trustee as the chapter 7 trustee for the Estate. Pursuant to title 11 of the United States Code (the "Bankruptcy Code"), the Trustee is a fiduciary for the creditors of SafeMoon and had no relationship with the Debtor Defendant or its principals prior to the Petition Date.

On March 29, 2024, the District Court issued its omnibus order on the motions to dismiss in the Securities Action. The District Court: (i) dismissed Lead Plaintiffs' fraud claims under the Securities Exchange Act of 1934 (the "Exchange Act") without prejudice against all Defendants; (ii) dismissed Lead Plaintiffs' claim under Section 12(a)(1) of the Securities Act of 1933 (the "Securities Act") for the sale of unregistered securities against Defendants Wyatt and Nagy; (iii) dismissed Lead Plaintiffs' control person claims under Section 15 of the Securities Act without prejudice against Defendants Nagy and Smith; (iv) dismissed the control person claims under Section 20 of the Exchange Act without prejudice; and (v) dismissed Lead Plaintiffs' common law claims for conversion, conspiracy, and unjust enrichment without prejudice; (vi) dismissed Lead Plaintiffs' civil RICO claim without prejudice; and (vii) dismissed Lead Plaintiffs' claims under the Florida Deceptive and Unfair Trade Practices Act without prejudice. Thus, the District Court found that Lead Plaintiffs had adequately stated claims for violation of Section 12(a)(1) of the Securities Act against the non-debtor SafeMoon entity Defendants as well as against Defendants Karony and Smith. The District Court also found that Lead Plaintiffs have adequately stated a control person claim pursuant to Section 15 of the Securities Act against Defendant Karony.

On June 11, 2024, Lead Plaintiffs filed a Motion for Order Certifying the Class for Purposes of the Class Claim Pursuant to Fed. R. Civ. P. 23 and Fed. R. Bankr. P. 7023 and 9014(c) (the "Class Claim Motion") asking the Bankruptcy Court to certify a class of SafeMoon investors for the purposes of pursuing a Class Proof of Claim against the Debtor Defendant. Lead Plaintiffs further requested to be appointed as Class Representatives and appoint Lead Counsel as Class Counsel. After filing, the Parties worked together to reschedule the hearing for August 21, 2024, with any responses due August 12, 2024.

On July 18, 2024, the Bankruptcy Court issued its Order Referring Contested Matter for Mediation (Bankruptcy ECF No. 203). The Bankruptcy Court also continued the hearing on Lead Plaintiffs' Class Claim Motion. On October 2, 2024, the Parties held their preconference call with The Honorable Dustin B. Pead, Chief Magistrate of the District of Utah. Judge Pead directed the parties to further meet and confer and rescheduled the settlement conference for October 16, 2024. On October 9, 2024, the Parties held a meet-and-confer teleconference where additional progress was made toward settlement. On October 16, 2024, the Parties held their settlement conference with Judge Pead. Following arms-length negotiations through Judge Pead, the parties agreed to resolve the Securities Action and the Class Claim Motion.

THE COURT HAS NOT RULED AS TO WHETHER THE RELEASED DEFENDANTS ARE LIABLE TO LEAD PLAINTIFFS OR THE CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT

WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THIS LAWSUIT OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PENDENCY OF THE SECURITIES ACTION AND PROPOSED SETTLEMENT THEREOF AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.

HOW DO I KNOW IF I AM A CLASS MEMBER?

If you purchased or otherwise acquired SafeMoon (SFM) Tokens between March 8, 2021 and November 1, 2023, inclusive, you may be a Class Member. As set forth in the Stipulation, excluded from the Class are any persons named as Defendants in the operative complaint, including the Debtor Defendant's founders, former officers and directors, members of their immediate families, legal representatives, heirs, successors or assigns, and any entity in which they have or had a controlling interest.

If you are not sure if you are a Class Member, you can ask for free help. You can contact the Claims Administrator at 1-800-xxx-xxxx, or John T. Jasnoch, a representative of Lead Counsel, at 1-800-332-2259. You can also fill out and return the Proof of Claim enclosed with this Notice.

PLEASE NOTE: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a 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 that is being distributed with this Notice, as directed herein, unless you timely filed a Proof of Claim in the Bankruptcy Case in accordance with the Bankruptcy Court's *Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Form and Manner of Notice Thereof; and (III) Granting Related Relief*, entered on April 17, 2024 (Bankr. ECF No. 152) (the "Claims Bar Date Order").

WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?

The Settlement, if approved, will result in the creation of an initial cash settlement fund of approximately Twelve Million ($12,000,000) in cash (the "Settlement Fund"). Depending on the outcome of additional legal proceedings in the Bankruptcy Court in pursuing recoveries on other assets of the Estate, there is a possibility of a subsequent payment into the Settlement Fund. The Settlement Fund, plus accrued interest and minus any attorneys' fees and expenses that may be approved by the District Court (the "Net Settlement Fund"), will be distributed to Class Members pursuant to the Plan of Distribution that is described in the next section of this Notice.

Should the Court award attorneys' fees of up to 16.375% of the estimated Settlement Fund (or $1,965,000), Lead Counsel's expenses of up to $70,000 and an award to the Lead Plaintiffs of up to a combined $15,000, the estimated Net Settlement Fund will be approximately $10,000,000.

Additionally, a Class Member's actual recovery will be a *pro rata* proportion of the Net Settlement Fund determined by that Claimant's recognized claim as compared to the total recognized claims submitted. An individual Class Member may also receive more or less depending on the value of claims submitted by all Class Members, whether the individual's

Eligible Tokens (defined below) were held or sold, and, if sold, when they were sold and the amount received. See the Plan of Allocation below for more information on how claims are calculated.

WHAT IS THE PROPOSED PLAN OF DISTRIBUTION?

The Trustee and Lead Counsel have consulted with their advisors in developing the Plan of Allocation, which determines the amount that an Authorized Claimant may recover. The calculation of claims is not an estimate of actual damages or the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants.

Tradable SFM Tokens purchased or otherwise acquired on or after March 8, 2021 and on or before November 1, 2023[2] (collectively, the "Eligible Tokens") are potentially eligible for damages. The damages for each purchased token will be based on their Recognized Loss and resulting total value of each Authorized Claimant's Recognized Claim (as a percentage of the Aggregate Recognized claims of all Authorized Claimants), as set forth below.

A. Calculation of Recognized Losses on Eligible Tokens

For each Eligible Token, the Recognized Loss for each such share shall be calculated as set forth below. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero and the Claimant shall not be entitled to any recovery from the Settlement Fund.

For Eligible Tokens purchased on or after March 8, 2021 and on or before November 1, 2023, inclusive, the Recognized Loss shall be equal to (a) the amount the Claimant paid for the Eligible Token(s) during that period, **less** (b) the amount, if any, the Claimant received in any sale of such Eligible Tokens on or before the Petition Date. The value of any Cryptocurrency used to acquire Eligible Tokes – or received in a sale of Eligible Tokens – shall be converted to U.S. dollars based on the market price of such Cryptocurrency on the applicable acquisition or sale date.

B. Additional Provisions Relating to the Calculation of Recognized Losses

For Class Members who made multiple purchases (and/or acquisitions) and/or sales of Eligible Tokens during the Class Period, the First-In, First-Out ("FIFO") method will be applied to purchases (and/or acquisitions) and sales for purposes of calculating a claim. Under the FIFO method, sales of Eligible Tokens during the Class Period will be matched in chronological order against Eligible Tokens purchased or otherwise acquired during the Class Period.

All purchase, acquisition, and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of Eligible Tokens during the Class Period shall not be deemed a purchase or sale of such shares for the calculation of a Claimant's Recognized Claim, nor shall it be deemed an assignment of any claim relating to the purchase of such tokens unless specifically provided in the instrument of gift or assignment, or if the donor or decedent

[2] The period of March 8, 2021 through November 1, 2023 shall be known as the "Class Period."

purchased or otherwise acquired such Eligible Tokens during the Class Period and no Proof of Claim form was submitted by or on behalf of the donor, on behalf of the decedent, or anyone else with respect to such Eligible Tokens.

C. Allocation of Net Settlement Proceeds Based on Recognized Losses

A Claimant's "Recognized Claim" under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss amounts for their Eligible Tokens, as determined in accordance with §§ A and B above.

As noted above, to the extent a Claimant had a market gain with respect to his, her, or its overall transactions in Eligible Tokens between March 8, 2021 and the Petition Date, the value of the Claimant's Recognized Claim shall be zero, but such Claimants shall in any event be bound by the Settlement.

The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the aggregate Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant's Distribution Amount calculates to less than $50.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant.

The Net Settlement Fund will not be distributed to Class Members unless and until the Courts have (a) approved the Settlement; and (b) the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired with respect to both Courts.

Each Class Member shall be deemed to have submitted to the jurisdiction of the Courts with respect to his, her, or its claim. Payment pursuant to the Plan of Distribution set forth above shall be conclusive against all Class Members.

The Trustee may file objections to Proofs of Claim before the Bankruptcy Court. You will receive notice at your address on record of any such objection and a deadline to respond. If you are unsatisfied with the determinations, you may ask the Bankruptcy Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request. Distributions will be made to Authorized Claimants, at such times and in such amounts in the discretion of the Trustee, as approved by the Bankruptcy Court, after all claims have been processed and after the Courts have finally approved the Settlement

MUST I CONTACT LEAD COUNSEL IN ORDER TO PARTICIPATE IN DISTRIBUTION OF THE SETTLEMENT FUND?

No. If you have received this Notice and timely submit your Proof of Claim to the address or email address designated on the Proof of Claim form accompanying this Notice, you need not contact Lead Counsel. If you did not receive this Notice but believe you should have, or if your address changes, please contact the Claims Administrator at:

SafeMoon US Claims Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602
Online Submissions: https://cases.stretto.com/safemoon

THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Securities Action will proceed as if the Stipulation had not been entered into, subject to the applicable provisions of the Bankruptcy Code with respect to the Debtor Defendant, including the automatic stay.

WHAT ARE THE REASONS FOR SETTLEMENT?

The Court has not reached any final decisions regarding the merits of the claims or defenses asserted in the Securities Action. Instead, the Lead Plaintiffs and the Trustee have agreed to this Settlement, which was reached with the substantial assistance of the Chief Magistrate Judge Dustin Pead, who presided over the settlement conference with the Settling Parties. In reaching the Settlement, the Settling Parties have avoided the cost, delay, and uncertainty of further litigation.

As in any litigation, Lead Plaintiffs and the Class would face an uncertain outcome if they did not agree to the Settlement. The Settling Parties expected that the case could continue for an intense and longer period of time, delaying any possible recovery for the Class. There are several complicated bankruptcy-specific issues underlying the Settlement, as well as uncertainty as to the liability and amount of any claim held by the Class.

Lead Plaintiffs and Lead Counsel believe that this Settlement is fair and reasonable to the Class Members. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Class will receive a significant monetary recovery. Additionally, Lead Counsel believes that the significant and immediate benefits of the Settlement, when weighed against the significant risk, delay, and uncertainty of continued litigation and of any recovery, are an excellent result for the Class.

WHO REPRESENTS THE CLASS?

The law firm of Scott+Scott Attorneys at Law LLP represent you and other Class Members. These lawyers are called Lead Counsel. These lawyers will apply to the District Court for payment of attorneys' fees and expenses from the Settlement Fund; you will not be otherwise charged for their work. If you want to be represented by your own lawyer, you may hire one at your own expense.

HOW WILL LEAD COUNSEL BE PAID?

Lead Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Settlement Fairness Hearing. Lead Counsel will apply for an award not to exceed $1.965 million, plus payment of expenses incurred in connection with the Securities Action in an amount not to exceed $70,000. In addition, Lead Plaintiffs may seek an aggregate award of up to $15,000 for their time and expenses incurred in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Lead Counsel has committed significant time and expenses in litigating this case for the benefit of the Class. To date, Lead Counsel have not been paid for their services in conducting the Securities Action on behalf of the Lead Plaintiffs and the Class, or for their expenses. The fees requested will compensate Lead Counsel for their work in achieving the Settlement. The Court will decide what constitutes a reasonable fee award and may award less than the amount requested by Lead Counsel.

CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

If you want to keep the right to sue or continue to sue Released Defendants on your own about the legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself from, or "opting out" of, the Class.

To exclude yourself from the Class, you must send a letter by mail saying that you want to be excluded from the Class in the following action: *Combs, et al. v. SafeMoon LLC, et al.*, Case No. 12:22-cv-00642-DBB-JCB (D. Utah). Be sure to include your name, address, e-mail address, telephone number, and sign the letter. Your exclusion request must be postmarked no later than __________, 2025 and sent to Lead Counsel at the address listed on Page 10.

You cannot exclude yourself by phone or by e-mail. If you make a proper request for exclusion, you will not receive a Settlement payment. If you make a proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit. If you wish to be excluded from the Settlement Class, submit a request for exclusion only.

CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES AND EXPENSES, AND/OR PAYMENT TO LEAD PLAINTIFFS?

Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs, and expenses, and/or application for an award to the Lead Plaintiffs for their time and expenses. To object, you must write to the Court setting out your objection in the case known as *Combs, et al. v. SafeMoon LLC, et al.*, Case No. 12:22-cv-00642-DBB-JCB (D. Utah) stating why you think the Court should not approve any part or all of the Settlement, the requested attorneys' fees, costs, and expenses, and/or application for an award to the Lead Plaintiffs for their time and expenses. You must include your name, address, telephone number, and your signature; include documents sufficient to prove your membership in the Class. Your letter must also state the specific reasons why you object, including any legal or evidentiary support for your objection. Your objection must state whether it applies only to you, to a specific subset of the Class, or to the entire Class.

Your objection must be filed with the United States District Court for the Southern District of Utah by hand or by mail at the address listed below such that it is **received on or before _______, 2025**, at the address set forth below. You must also serve the papers on Lead Counsel and Trustee's Counsel at the addresses set forth below so that the papers are **received on or before _______, 2025**.

COURT	LEAD COUNSEL	TRUSTEE'S COUNSEL
Clerk of the Court United States District Court for the District of Utah Orrin G. Hatch United States Courthouse 351 South West Temple, Rm. 10.430 Salt Lake City, Utah 84101	John T. Jasnoch Scott+Scott Attorneys at Law 600 W. Broadway, Suite 3300 San Diego, CA 92101 Telephone: 619-233-4565 Facsimile: 619-233-0508 jjasnoch@scott-scott.com	Geoffrey S. Goodman Foley & Lardner LLP 321 North Clark St. Suite 3000 Chicago, IL 60654 Telephone: 312-832-4514 ggoodman@foley.com (Counsel for the Trustee)

Unless otherwise ordered by the Court, any Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and will not be able to appear separately at the Settlement Hearing or to make any objection to the Settlement, the application for attorneys' fees, costs, and expenses, and/or application for an award to the Lead Plaintiffs for their time and expenses.

If you hire an attorney (at your own expense) to represent you for purpose of objecting, your attorney must serve a notice of appearance on counsel listed above and file it with the Court (at the addresses set out above) by no later than ____________, 2025.

WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF FROM THE SETTLEMENT?

Objecting is telling the Court that you do not like something about the proposed Settlement, Lead Counsel's request for an award of attorneys' fees and expenses, or an award to the Lead Plaintiffs for their time and expenses. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class or participate in the recovery.

HOW CAN I GET A PAYMENT?

To share in the distribution of the Net Settlement Fund, you must establish your rights by submitting a Proof of Claim and Release Form ("Proof of Claim") by mail (postmarked no later than _____________, 2025), or electronically at the following website: www.SafeMoonSettlement.com, or by email at the following email address: info@safemoonsettlement.com, no later than __________, 2025. The address for mailing the proof of claim is:

SafeMoon US Claims Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602

Your failure to submit your Proof of Claim by ____________, 2025, will subject your claim to possible rejection and may preclude you from receiving any of the recovery in connection with the Settlement of the Securities Action. If you do not submit a valid Proof of Claim, you will not receive a payment from the Net Settlement Fund unless you previously submitted a proof of claim in the Bankruptcy Case in accordance with the Claims Bar Date Order; however, unless you expressly exclude yourself from the Class as described above, you will still be bound in all other respects by the Settlement, the Judgment, and the releases contained in them.

WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit relating to securities claims involving the purchase or other acquisition of the SFM Tokens at issue in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will fully, finally, and forever release the Releasing Lead Plaintiff Claims in this case.

"Released Claims" means all Released Defendants' Claims and all Releasing Lead Plaintiff Claims.

"Releasing Lead Plaintiffs' Claims" means any and all individual or class claims, demands, losses, rights, and causes of action of any nature whatsoever, known or Unknown Claims, whether arising under federal, state, common, or foreign law by the Releasing Lead Plaintiff Parties against any of the Released Defendant Parties, that have been or could have been asserted in the Securities Action, or could in the future be asserted in any forum, domestic or foreign, or which arise out of, are based upon, or relate to in any way to (i) the purchase, sale, acquisition, or disposition of SafeMoon (SFM) Tokens (defined below) and (ii) any of the allegations, acts, transactions, facts, events, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to, in the Securities Action. For the avoidance of doubt, Releasing Lead Plaintiffs' Claims do not include: (i) claims relating to the enforcement of the Settlement; (ii) any claims of Persons who submit a request for exclusion that is accepted by the Court; and (iii) any Releasing Lead Plaintiffs' Claims against third parties, including those who acted in concert with or aided and abetted any alleged wrongdoing by the Debtor Defendant.

"Releasing Lead Plaintiff Parties" means each and every Settlement Class Member, Lead Plaintiff, Lead Counsel, and each of their respective past or present trustees, officers, directors, partners, employees, affiliates, contractors, principals, agents, attorneys, predecessors, successors, assigns, insurers, parents, subsidiaries, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, heirs, executors, and administrators of any Releasing Lead Plaintiff Party who is an individual, as well as any trust of which any Releasing Lead Plaintiff Party is the settlor or which is for the benefit of any of their immediate family members. Releasing Lead Plaintiff Parties does not include any Person who timely and validly seeks exclusion from the Settlement Class.

"Released Defendants' Claims" means all claims and causes of action of any nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common, or foreign law, that Released Defendants could have asserted against the Releasing Lead Plaintiff Parties that arise out of, or relate in any way to, the institution, prosecution, or settlement of the claims in the Securities Action, except for claims relating to the enforcement of the Settlement or any claims against any Person who submits a request for exclusion that is accepted by the Court.

"Released Defendant Parties" means the Trustee, the Trustee's Counsel and Advisors, the Debtor Defendant, Ronin Crypto Group, LC, Ronin Energy Group, LC, Ronin Real Estate Holdings, LC, SafeMoon, LLC, SafeMoon, Ltd., SafeMoon Connect, LLC, SafeMoon Lithuania (CEX), SafeMoon Media Co. Ltd. or SafeMoon Protocol, Ltd. Released Defendant Parties also means, with respect to the Trustee and Trustee's Counsel and Advisors, each of their respective past or present direct or indirect subsidiaries, parents, affiliates, principals, successors, and predecessors, assigns, officers, directors, controlling shareholders, underwriters, trustees, partners, agents, fiduciaries, contractors, employees, attorneys, accountants, auditors, financial or investment advisors or consultants, insurers; the spouses, members of the immediate families, representatives, heirs, executors, and administrators of the Trustee and the Trustee's Counsel and Advisors.

"Released Parties" means the Released Defendant Parties and the Releasing Lead Plaintiff Parties.

"Releasing Parties" means each of the parties releasing a claim, as defined in the Stipulation.

The above description of the proposed Settlement is only a summary. The complete terms are set forth in the Stipulation (including its exhibits), which may be obtained at www.SafeMoonSettlement.com, or by contacting Lead Counsel listed on Page 10. In the event of any inconsistency between this notice and the Stipulation, the terms of the Stipulation control.

THE SETTLEMENT FAIRNESS HEARING

The Court will hold a Settlement Fairness Hearing ______, 2025, at _____, before the Honorable David Barlow, United States District Judge, at the United States District Court for the District of Utah, Orrin G. Hatch United States Courthouse, 351 South West Temple, Rm. 10.420, Salt Lake City, Utah 84101, for the purpose of determining whether: (1) the Settlement of the Securities Action for rights to a Settlement Fund holding approximately $10 million in cash, with the possibility of Subsequent Settlement Fund, should be approved by the District Court as fair, reasonable, and adequate; (2) to award Lead Counsel attorneys' fees and expenses out of the Settlement Fund; (3) to pay the Lead Plaintiffs for their time and expenses incurred in representing the Class; and (4) to enter the final Judgment as provided under the Stipulation. The District Court may adjourn or continue the Settlement Fairness Hearing without further notice to Members of the Class. If you want to attend the hearing, you should check with Lead Counsel or www.SafemoonSettlement.com beforehand to be sure that the date and/or time have not changed.

Any Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters.

HOW DO I OBTAIN ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the proposed Settlement. The records in the Securities Action may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the District of Utah. In addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim, and proposed Judgment may be obtained on the settlement website, www.SafemoonSettlement.com, or by contacting the Claims Administrator at:

SafeMoon US Claims Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602
Online Submissions: https://cases.stretto.com/safemoon

In addition, you may contact John T. Jasnoch, a representative of Lead Counsel, at 1-800-332-2259, if you have any questions about the Action or the Settlement or want to obtain Settlement documents.

DO NOT WRITE TO, OR TELEPHONE, THE COURT FOR INFORMATION

DATED: ____________________, 2025

BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH

EXHIBIT A-2

(Proof of Claim and Release)

<table>
<tr><td colspan="2">THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH</td></tr>
<tr><td>MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

v.

SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY “HANK” WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM,

Defendants</td><td>Case No. 2:22-cv-00642-DBB-JCB

Assigned Judge: Hon. David Barlow
Referred Magistrate Judge: Jared C. Bennett</td></tr>
<tr><td colspan="2">UNITED STATES BANKRUPTCY COURT

DISTRICT OF UTAH</td></tr>
<tr><td>IN RE

SAFEMOON US LLC,

DEBTOR.</td><td>BANKRUPTCY CASE NO. 23-25749
CHAPTER 7

HONORABLE PEGGY HUNT</td></tr>
</table>

PROOF OF CLAIM AND RELEASE FORM

To recover as a Settlement Class Member based on the claims asserted against the Released Defendant Parties in this Action, you must complete, ***sign***, and submit this Proof of Claim and Release Form (“Claim Form”). If you fail to submit a properly addressed Claim Form, your claim may be rejected and you may be barred from any recovery from the Net Settlement Fund created under the proposed Settlement.[1] YOU MUST MAIL, EMAIL, OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED CLAIM FORM, TOGETHER WITH COPIES OF THE DOCUMENTS REQUESTED HEREIN, **ON OR BEFORE ______________________, 2025**, TO:

[1] If you previously filed a proof of claim with the Bankruptcy Court, you do not need to complete this form. The Trustee or her Advisors may request additional information from those that previously filed proofs of claim in the Bankruptcy Court.

SafeMoon US Claims Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602
Online Submissions: https://cases.stretto.com/safemoon

PART I: GENERAL INSTRUCTIONS

1. It is important that you read and understand the Notice of Pendency and Proposed Settlement of Class Action (the "Notice") that accompanies this Claim Form. The Notice describes the proposed Settlement and how Settlement Class Members' rights may be affected by it. The Notice also contains the definitions of certain of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting the Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the releases that you will be giving if you submit a Claim Form.

2. This Claim Form is directed to all Persons who purchased or otherwise acquired SafeMoon (SFM) Tokens between March 8, 2021 and November 1, 2023, inclusive. If you fit within this definition, and (i) are not excluded from the Class by reason of your relationship to one of the founders or former officers and/or directors of SafeMoon US, LLC., or their affiliates (*see* Notice at 5 ("How Do I Know If I Am a Class Member?")) and (ii) do not exclude yourself by submitting a request for exclusion (*see* Notice at 9- ("Can I Exclude Myself from the Settlement?")), then you are a Settlement Class Member.[2]

3. If you are NOT a Settlement Class Member, you may NOT participate in the Settlement, you should NOT submit a Claim Form, and any Claim Form you submit will be rejected.

4. If you are a Settlement Class Member and you do not timely request exclusion, you will be bound by the terms of any judgment entered in this Action, including the releases provided for under the Settlement (*see* Notice at 11 ("What Claims Will Be Released by the Settlement?")), whether or not you submit a Claim Form.

5. 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, or by such other plan of allocation that is ultimately approved by the Bankruptcy Court.

6. Use Part II of this form, "Claimant Identification," to identify each Safemoon (SFM) Token purchaser whose purchases form the basis of this claim. *THIS CLAIM FORM MUST BE FILED BY THE ACTUAL PURCHASERS OF SAFEMOON TOKENS UPON WHOSE PURCHASES THE CLAIM IS BASED, OR BY THEIR LEGAL REPRESENTATIVE.*

7. Separate Claim Forms should be submitted for each separate legal entity that purchased Safemoon (SFM) Tokens (*e.g.*, a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her transactions through a separate legal entity with transactions made solely in the individual's name). Generally, a single Claim Form should be submitted on behalf of one legal entity including all holdings and transactions made by that entity on one Claim Form. If a single person or legal entity had multiple accounts that were separately managed, separate Claim Forms may be submitted for each such account. The Claims Administrator reserves the right to request information on all holdings and transactions in Safemoon (SFM) Tokens made on behalf of a single beneficial owner.

8. All joint beneficial owners, purchasers, or acquirers must sign this Claim Form.

9. Agents, executors, administrators, guardians, conservators, and trustees must complete and sign this Claim Form on behalf of Persons represented by them. They must also (i) identify the capacity in which they are acting; (ii) identify the name, account number, last four digits of the Social Security Number (or Taxpayer Identification Number) of the beneficial owner (or other Person or entity on whose behalf they are acting); and (iii) provide documentary evidence of their authority to legally bind the person or entity on whose behalf they are acting to the Claim Form. (Authority to complete and sign a Claim Form cannot be established by brokers who show only that they have discretionary authority to trade in another person's accounts).

10. 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 U.S. law. Making false statements or submitting fraudulent documentation will result in the rejection of your Claim and may subject you to civil liability or criminal prosecution.

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[2] If you previously filed a proof of claim in the Bankruptcy Case, your claim, subject to any objections filed to the same, will be treated as a Settlement Class Claim.

NOTICE REGARDING ELECTRONIC FILES: Certain Claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. If you wish to submit your claim electronically, you must download the electronic filing template at www.SafemoonSettlement.com and follow the instructions contained within. **Any file that does not comply with the required electronic filing format will be subject to rejection**. Do not assume that your file has been received until you receive a confirmation from Stretto that your claim has been received. If you do not receive such confirmation upon submitting your claim, you should contact the Claims Administrator's Electronic Filing Department at TeamSafeMoon@stretto.com to inquire about your submission and confirm it was received.

ADDITIONAL INFORMATION REQUESTS: The Trustee and her Advisors may request additional information from each Claimant. Each Claimant must provide this information to be eligible for a distribution.

PROOF OF CLAIM AND RELEASE ("CLAIM FORM")

Combs v. Safemoon LLC, et al., Case No. 2:22-cv-00642-DBB-JCB (D. Utah)

PART II: CLAIMANT IDENTIFICATION

The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you MUST notify the Claims Administrator in writing at the address above. Complete names of all persons and entities must be provided. The Trustee and her Advisors will verify each wallet address after submission of this Claim Form to determine the claim amount.[3]

Beneficial Owner's Name

Co-Beneficial Owner's Name(s)

Entity Name (if Claimant is not an individual)

Representative or Custodian Name (if different from Benefical Owner(s) listed above)

Address 1 (street name and number)

Address 2 (apartment, unit, or box number)

City State Zip Code/Province Country

Last Four Digits of your Social Security No. or Taxpayer I.D. No. (applicable for foreign claimants??)

Telephone Number (home/cell) Telephone Number (work)

Email Address

Account Number/Wallet Address (if filing for multiple wallets or account types, please add a separate page identifying each wallet address and/or account)

[3] Claim amounts will be net losses calculated as net purchases (from March 8, 2021 through November 1, 2023) of SafeMoon (SFM) Tokens less net sales (from March 8, 2021 through December 14, 2023) of SFM Tokens.

IN SUBMITTING THIS CLAIM, PROVIDE A COPY OF A W-9.

YOU <u>MUST</u> READ AND SIGN THE RELEASE BELOW.

PART II: RELEASE

1. I (we) hereby fully, finally, and forever settle, release, and discharge the Releasing Plaintiffs' Claims (as defined in the Notice).

2. I (we) hereby warrant and represent that I (we): have not assigned or transferred, voluntarily or involuntarily, any of my (our) Releasing Plaintiff Claims or any other part thereof; have not submitted any other claim covering the same purchases or acquisitions of Safemoon (SFM) Tokens ***<u>other than any proof of claim filed in the SafeMoon US, LLC bankruptcy case, Case No. 23-25749 (Bankr. D. Utah</u>***; and have no knowledge of any other Person having done so on my (our) behalf.

3. I (we) hereby warrant and represent that I (we) purchased Safemoon (SFM) Tokens from March 8, 2021 through November 1, 2023.

4. I (we) certify that I am (we are) NOT subject to backup tax withholding. (If the Internal Revenue Service has notified you that you are subject to backup withholding, please strike out the prior sentence.)

5. I (we) submit to the jurisdiction of the U.S. Bankruptcy [?]Court for the District of Utah *and* the U.S. District Court for the District of Utah with respect to my (our) Claim as a Settlement Class Member and for purposes of enforcing the releases set forth above.

6. I (we) declare under penalty of perjury under the laws of the United States that all of the information submitted by me (us) as part of this Claim Form is true and correct.

Signed on _____________/________/________
Month Day Year

______________________________ (Signature of beneficial owner)	______________________________ (Signature of co-beneficial owner, if any)
______________________________ (Type or print your name here)	______________________________ (Type or print your name here)
______________________________ (Title if signing for corporate entity, or your capacity if signing as, *e.g.*, executor, trustee, etc., and attach documentation of your authority)	______________________________ (Title if signing for corporate entity, or your capacity if signing as, *e.g.*, executor, trustee, etc., and attach documentation of your authority)

<u>Reminder Checklist:</u>

1. You must sign the above release and acknowledgment.
2. Do not send originals of certificates or other documentation as they will not be returned.
3. Keep a copy of your Claim Form and all supporting documentation for your records.
4. If you move, please send your new address to the address below.
5. Do not use red pen or highlighter on the Claim Form or any supporting documentation.
6. Accurate claims processing takes significant time. Thank you for your patience.

Do not mail or send your Claim Form to the Court, the Parties, or their counsel. Submit your Claim Form <u>only</u> to the Claims Administrator at the mailing, email, or online addresses listed below, no later than ______________, to:

SafeMoon US Claims Processing
c/o Stretto

410 Exchange, Suite 100
Irvine, CA 92602
Online Submissions: https://cases.stretto.com/safemoon

EXHIBIT A-3

(Summary Notice)

THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH

MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY "HANK" WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM, Defendants	Case No. 2:22-cv-00642-DBB-JCB Assigned Judge: Hon. David Barlow Referred Magistrate Judge: Jared C. Bennett

SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS AND ENTITIES THAT PURCHASED SAFEMOON (SFM) TOKENS FROM MARCH 8, 2021 THROUGH NOVEMBER 1, 2023

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the District of Utah, that a hearing will be held on ______, 2025, at _____, before the Honorable David Barlow, United States District Judge, at the United States District Court for the District of Utah, Orrin G. Hatch United States Courthouse, 351 South West Temple, Rm. 10.420, Salt Lake City, Utah 84101, for the purpose of determining: (1) whether the proposed Settlement of the above-captioned Action, as set forth in the settlement agreement reached between the Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey, on behalf of themselves and the Class and Ellen E. Ostrow, the Chapter 7 trustee (the "Trustee") for the bankruptcy estate (the "Estate") of SafeMoon US, LLC ("SafeMoon"), consisting of an estimated distribution of approximately $12,000,000 in cash (as well as a possible subsequent settlement fund), should be approved as fair, reasonable, and adequate to the Members of the Class; (2) whether the release by Class Members of claims as set forth in the Stipulation and Agreement of Settlement and Release (the "Stipulation") should be authorized; (3) whether the application by Lead Counsel for an award of attorneys' fees and expenses and any award to the Lead Plaintiffs should be approved; and (4) whether the Judgment, in the form attached to the Stipulation, should be entered. The Court may change the date of the Settlement Hearing without providing another notice. You do **NOT** need to attend the Settlement Hearing in order to receive a distribution from the Net Settlement Fund.

IF YOU PURCHASED SAFEMOON FROM MARCH 8, 2021 THROUGH NOVEMBER 1, 2023, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS LITIGATION.

Unless you filed a timely proof of claim in SafeMoon's chapter 7 bankruptcy case, Case No. 23-25749 (Bankr. D. Utah), to share in the distribution of the Net Settlement Fund, you must establish your rights by submitting a Proof of Claim and Release Form ("Proof of Claim") by mail (postmarked no later than ______________, 2025), or electronically at the following website: www.SafeMoonSettlement.com, or by email at the following email address: info@safemoonsettlement.com, no later than __________, 2025. Your failure to submit your Proof of Claim by ____________, 2025, will subject your claim to possible rejection and may preclude you from receiving any of the recovery in connection with the Settlement of this Action. If you are a member of the Class and do not request exclusion, you will be bound by the Settlement and any judgment and release entered in the Action, including, but not limited to, the Judgment, whether or not you submit a Proof of Claim. Lead Counsel represents you and other Members of the Class. If you want to be represented by your own lawyer, you may hire one at your own expense.

If you have not received a copy of the Notice, which more completely describes the Settlement and your rights thereunder (including your right to object to the Settlement or exclude yourself from the Class), you may obtain these documents, as well as a copy of the Stipulation (which, among other things, contains definitions for the defined terms used in this Summary Notice) and other Settlement documents, online at www.SafemoonSettlement.com, or by writing to, emailing, or calling:

Safemoon Settlement
Claims Administrator
c/o Stretto Inc.
PO BOX –
Address
info@safemoonsettlement.com

Inquiries may also be made to a representative of Lead Counsel at:

SCOTT+SCOTT ATTORNEYS AT LAW LLP
John T. Jasnoch
600 W. Broadway, Suite 3300
San Diego, CA 92101
Telephone: 619-233-4565
Facsimile: 619-233-0508
jjasnoch@scott-scott.com

Inquiries should **NOT** be directed to the Court, or the Clerk of the Court.

IF YOU DESIRE TO BE EXCLUDED FROM THE CLASS AND THE SETTLEMENT, YOU MUST SUBMIT A REQUEST FOR EXCLUSION SUCH THAT IT IS POSTMARKED NO LATER THAN ___________, 2025, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE. ALL MEMBERS OF THE CLASS WHO HAVE NOT REQUESTED EXCLUSION FROM THE CLASS WILL BE BOUND BY THE SETTLEMENT ENTERED IN THE ACTION.

IF YOU ARE A CLASS MEMBER, YOU HAVE THE RIGHT TO OBJECT TO THE SETTLEMENT, THE REQUEST BY LEAD COUNSEL FOR AN AWARD OF ATTORNEYS' FEES, COSTS, AND EXPENSES, AND/OR THE APPLICATION FOR AN AWARD TO THE LEAD PLAINTIFFS FOR THEIR TIME AND EXPENSES. ANY WRITTEN OBJECTIONS MUST BE SENT TO THE COURT POSTMARKED NO LATER THAN ___________, 2025, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE. IF YOU FAIL TO OBJECT IN THE MANNER AND FORM EXPLAINED IN THE NOTICE, YOU WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND WILL NOT BE ABLE TO APPEAR SEPARATELY AT THE SETTLEMENT HEARING OR MAKE ANY OBJECTION TO THE SETTLEMENT, THE REQUEST BY LEAD COUNSEL FOR AN AWARD OF ATTORNEYS' FEES, COSTS, AND EXPENSES, AND/OR THE APPLICATION FOR AN AWARD TO THE LEAD PLAINTIFFS FOR THEIR TIME AND EXPENSES.

DATED: ____________________, 2025

BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH

EXHIBIT B

(Proposed Judgment)

<table>
<tr><td colspan="2" align="center">THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH</td></tr>
<tr><td>MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

v.

SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY “HANK” WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM,

Defendants</td><td>Case No. 2:22-cv-00642-DBB-JCB

Assigned Judge: Hon. David Barlow
Referred Magistrate Judge: Jared C. Bennett</td></tr>
</table>

[PROPOSED] FINAL ORDER AND JUDGMENT GRANTING FINAL APPROVAL OF CLASS ACTION SETTLEMENT

WHEREAS, the Court is advised that the Settling Parties, through their counsel, have agreed, subject to Court approval following notice to the Class and a hearing, to settle this Action upon the terms and conditions set forth in the Stipulation and Agreement of Settlement and Release dated September 10, 2025 (the “Stipulation”), which was filed with the Court.[1]

[1] All defined and capitalized terms herein shall have the same meaning as set forth in the Stipulation.

WHEREAS, on __________, 2026, the Court entered its Order Preliminarily Approving Settlement and Providing for Notice, which preliminarily approved the Settlement and approved the form and manner of notice to the Class of the Settlement.

WHEREAS, said notice has been made to the Class and the Settlement Fairness Hearing has been held pursuant to the terms of the Order Preliminarily Approving Settlement and Providing for Notice.

NOW, THEREFORE, based upon the Stipulation and all of the filings, records, and proceedings herein, and it appearing to the Court upon examination that the Settlement set forth in the Stipulation is fair, reasonable, and adequate, and upon the Settlement Fairness Hearing having been held after notice to the Class of the Settlement to determine if the Settlement is fair, reasonable, and adequate and whether the Judgment should be entered in this Action, **IT IS ORDERED, ADJUDGED, AND DECREED THAT:**

1. The provisions of the Stipulation, including definitions of the terms used therein, are hereby incorporated by reference as though fully set forth herein.

2. This Court has jurisdiction of the subject matter of this Action and over all of the Settling Parties and all members of the Class, including all Class Members who did not timely file a request for exclusion from the Settlement Class by the relevant deadline pursuant to the Preliminary Approval Order.

3. The form, content, and method of dissemination of notice given to the Class was adequate and reasonable, met the requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and 15 U.S.C. §78u-4(a)(7) (added to the Exchange Act by the Private Securities Litigation Reform Act of 1995), and constituted the best notice practicable under the

circumstances, including individual notice to all Class Members who could be identified through reasonable effort.

4. Notice, as given, complied with the requirements of federal law, satisfied the requirements of due process, and constituted due and sufficient notice of the matters set forth herein.

5. The Settlement set forth in the Stipulation is fair, reasonable, and adequate.

(a) The Settlement was negotiated at arm's length by Lead Plaintiffs and Lead Counsel on behalf of the Class and by the Trustee, all of whom were represented by highly experienced and skilled counsel. The case settled only after: (1) a court ordered settlement conference with Chief Magistrate Dustin Pead, a highly experienced mediator who was thoroughly familiar with this Action; (2) follow-up negotiations facilitated by the mediator; (3) the exchange of detailed mediation statements, which highlighted the factual and legal issues in dispute; (4) Lead Counsel's extensive investigation, which included, among other things, an extensive review of publicly available information about the Settling Defendants; (5) the drafting and filing of detailed initial complaint and amended complaint; (6) full briefing on the Debtor Defendant's motion to dismiss the Action; and (7) the filing of the Class Proof of claim in the United States Bankruptcy Court for the District of Utah (the "Bankruptcy Court"). Accordingly, both Lead Plaintiffs and the Trustee were well-positioned to evaluate the settlement value of this Action. The Stipulation has been entered into in good faith and is not collusive.

(b) If the Settlement had not been achieved, both Lead Plaintiffs and the Trustee faced the expense, risk, and uncertainty of extended litigation, including a hearing and decision on the class claim motion, the motion to dismiss, class certification, summary judgment, trial, post-trial motions, and appeals. The Court takes no position on the merits of either Lead Plaintiffs' or the Trustee's potential arguments but notes these arguments as further evidence in support of the reasonableness of the Settlement.

6. Lead Plaintiffs and Lead Counsel have fairly and adequately represented the interests of the Class Members in connection with the Settlement.

7. Lead Plaintiffs, all Class Members, and the Released Defendants are hereby bound by the terms of the Settlement set forth in the Stipulation.

8. The Settlement shall be consummated in accordance with the terms and provisions of the Stipulation. The Settling Parties are to bear their own costs, except as otherwise provided in the Stipulation.

9. The Court hereby grants class certification for settlement purposes and appoints Mark Combs, Vlad Iacob, and Benjamin Northey as Class Representatives and Scott+Scott Attorneys at Law LLP as Settlement Class Counsel.

10. The Court hereby reaffirms its determination in the Preliminary Approval Order that the Settlement Class shall be composed of all means all persons and entities that purchased SafeMoon (SFM) tokens from March 8, 2021 through November 1, 2023.

11. Upon the Class Action Effective Date, except with respect to individual claims by persons who have validly and timely requested exclusion from the Class as listed in **Exhibit A** hereto, all of the claims asserted in the First Amended ("Complaint") (ECF No. 133) and in the

Action against the Debtor Defendant are hereby dismissed with prejudice, without costs as to the Settling Parties, except as awarded under the Settlement Fund and approved by the Court.

12. Upon the Class Action Effective Date, all Released Parties are released in accordance with the Stipulation, and as defined in the Stipulation, each of the Releasing Parties are hereby deemed to have fully, finally, and forever waived, released, relinquished, and discharged each and every one of the Released Claims,[2] including Unknown Claims.[3]

[2] "Released Claims" means Releasing Lead Plaintiffs' Claims and the Released Defendants' Claims. "Releasing Lead Plaintiffs' Claims" means any and all individual or class claims, demands, losses, rights, and causes of action of any nature whatsoever, known or Unknown Claims, whether arising under federal, state, common, or foreign law by the Releasing Lead Plaintiff Parties against the Released Defendants, that have been or could have been asserted in the Action, or could in the future be asserted in any forum, domestic or foreign, or which arise out of, are based upon, or relate to in any way to (i) the purchase, sale, acquisition, or disposition of the SafeMoon or SFM Tokens and (ii) any of the allegations, acts, transactions, facts, events, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to, in the Action. For the avoidance of doubt, Releasing Lead Plaintiffs' Claims do not include: (i) claims relating to the enforcement of the Settlement; (ii) any claims of Persons who submit a request for exclusion that is accepted by the Court; and (iii) any Releasing Lead Plaintiffs' Claims against third parties, including those who acted in concert with or aided and abetted any wrongdoing. "Released Defendants' Claims" means all claims and causes of action of any nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common, or foreign law, that Settling Defendants could have asserted against the Releasing Lead Plaintiff Parties that arise out of, or relate in any way to, the institution, prosecution, or settlement of the claims in the Action, except for claims relating to the enforcement of the Settlement or any claims against any Person who submits a request for exclusion that is accepted by the Court.

[3] "Unknown Claims" means any Releasing Lead Plaintiffs' Claims which Lead Plaintiffs, any other Settlement Class Member, or any other Releasing Lead Plaintiff Party does not know or suspect to exist in their favor at the time of the release of such claims, which, if known by them, might have affected their decision(s) with respect to this Settlement, including, but not limited to, whether or not to object to this Settlement or seek exclusion from the Class; and any Released Defendants' Claims which any Settling Defendant or any other Released Defendant Party does not know or suspect to exist in their favor at the time of the release of such claims, which, if known by them might have affected their decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Class Action Effective Date of the Settlement, Lead Plaintiffs and the Trustee shall expressly waive, and each of the other Settlement Class Members and each of the other Released Parties shall be deemed to have waived, and by operation of the Judgment, shall have expressly waived, any and all provisions, rights, and

13. Upon the Class Action Effective Date, each of the Releasing Parties are hereby forever barred and enjoined from filing, commencing, instituting, prosecuting, or maintaining, either directly, indirectly, representatively, or in any other capacity, in this Court, or in any other court of law or equity, administrative forum, or arbitration tribunal, any claim, counterclaim, cross-claim, third-party claim, or other actions based upon, relating to, or arising out of, directly or indirectly, any of the Released Claims.

14. Upon the Class Action Effective Date, pursuant to 15 U.S.C. §78u-4(f)(7)(A), this Order provides that every Person is permanently and forever barred and enjoined from filing, commencing, instituting, prosecuting, or maintaining, either directly, indirectly, representatively,

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benefits conferred by any law of any state or territory of the United States, 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.

The Releasing Lead Plaintiff Parties and Released Defendant Parties acknowledge that they may hereafter discover facts in addition to, or different from, those which he, she, it, or their counsel now knows or believes to be true with respect to the subject matter of the Releasing Lead Plaintiffs' Claims or Released Defendants' Claims, but the Settling Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Class Action Effective Date, and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, heretofore have existed, or may hereafter exist, 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, legal theories, or authorities.

Lead Plaintiffs and the Trustee acknowledge, and each of the other Settlement Class Members and each of the other Released Parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

or in any other capacity, in this Court, or in any other federal, foreign, state, or local court, forum or tribunal, any claim, counterclaim, cross-claim, third-party claim, or other actions based upon, relating to, or arising out of the Releasing Lead Plaintiffs' Claims and/or the transactions and occurrences referred to in the Complaint, or in any other pleadings filed in this Action (including, without limitation, any claim or action seeking indemnification and/or contribution, however denominated), whether such claims are legal or equitable, known or unknown, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, or are asserted under federal, foreign, state, local, or common law, including, without limitation, a specific bar against all future claims for contribution arising out of the Action against the Released Defendant.

15. To the extent required by the Exchange Act at Section 21D, as amended by the Private Securities Litigation Reform Act, Non-Settling Defendants shall be entitled to a reduction of any judgment that may be entered against them in this Action (including any subsequent action that may be re-filed against them predicated on the same claims that have previously been asserted against them in this Action) that is equal to the greater of: (i) the Settlement Amount; or (ii) the Released Defendant Parties' proportionate share of the fault.

16. Upon the Class Action Effective Date, each of the Trustee and the Trustee's Counsel and Advisors shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released all Released Defendants' Claims.

17. All Class Members who have not made their objections to the Settlement in the manner provided in the Notice are deemed to have waived any objections by appeal, collateral attack, or otherwise.

18. All Class Members who have failed to validly and timely submit Requests for Exclusion (requests to opt out) from the Class are bound by the terms and conditions of the Stipulation and this Judgment.

19. The Requests for Exclusion, if any, by the persons or entities in **Exhibit A** to this Judgment are accepted by the Court.

20. Neither this Judgment, the Preliminary Approval Order, the Stipulation (including the exhibits thereto), nor any of the negotiations, documents, or proceedings connected with them shall be argued to be or offered or received:

(a) Against any of the Released Defendant Parties or their legal counsel as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Released Defendant Parties with respect to the truth of any fact alleged in the Complaint or the Action, or the validity of any claim that has been, or could have been, asserted against any of the Released Defendants in the Complaint or the Action, or the deficiency of any defense that has been, or could have been, asserted in the Action, or of any wrongdoing or liability by any of the Released Defendants, or any liability, fault, misrepresentation, or omission with respect to any statement or written document approved or made by any of the Released Defendants.

(b) Against the Lead Plaintiffs or any Settlement Class Member or Lead Counsel as evidence of, or construed as evidence of, any infirmity of the claims alleged by the Lead Plaintiffs in the Complaint or the Action or of any lack of merit to the claims or the Complaint or the Action or of any bad faith, dilatory motive, or inadequate prosecution of the claims or the Complaint or the Action.

(c) Against any of the Released Defendants, the Lead Plaintiffs, or any Settlement Class Member, or their respective legal counsel, as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Released Defendants, the Lead Plaintiffs, or any Settlement Class Member, or their respective legal counsel, with respect to any liability, negligence, fault, or wrongdoing as against any of the Released Defendants, the Lead Plaintiffs, or any Settlement Class Member, or their respective legal counsel, in any other civil, criminal, or administrative action or proceeding, other than such actions or proceedings as may be necessary to effectuate the provisions of the Stipulation.

(d) Against any of the Released Defendants or their legal counsel as evidence of, or construed as evidence of, any presumption, concession, or admission by any of them that any of the Lead Plaintiffs' claims have merit, or that any defenses asserted by the Released Defendants are without merit, or that the Settlement Amount represents the amount which could or would have been received after any trial of the Action against them.

(e) Against the Lead Plaintiffs or any Settlement Class Member, or Lead Counsel, as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Lead Plaintiffs or any Settlement Class Member that any of their claims are without merit, or that any defenses asserted by the Released Defendants have any merit, or that damages recoverable in the Action would not have exceeded the Settlement Fund.

21. Neither the Stipulation nor the Settlement, 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, a presumption, concession, or admission of, or evidence of, the validity of any Releasing Lead Plaintiffs' Claims or of any wrongdoing or liability of the Released Defendants or the Released Defendant Parties; or (b) is or may be deemed to be, or may be used as, a presumption, concession, or admission of, or evidence of, any fault or omission of any of the Released Defendants or the Released Defendant Parties in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal; or (c) is or may be deemed to be an admission or evidence that any claims asserted by the Lead Plaintiffs, any Class Member, or Lead Counsel were not valid in any civil, criminal, or administrative proceeding.

22. The Parties and other Released Parties, for the avoidance of doubt, may file or refer to this Judgment, the Stipulation, Preliminary Approval Order, and/or any Claim Form: (a) to effectuate the liability protections and/or releases granted hereunder or thereunder, including, without limitation, 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; (b) to obtain a judgment reduction under applicable law; (c) to enforce any applicable insurance policies and any agreements relating thereto; or (d) to enforce the terms of the Stipulation and/or this Judgment.

23. In the event that the Final Order Date or Class Action Effective Date does not occur in accordance with the terms and conditions set forth in the Stipulation, then this Order and Judgment shall be vacated, rendered null and void, and be of no further force and effect, except as

otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of the Parties, and the Parties shall be deemed to have reverted *nunc pro tunc* to their respective positions as of September 10, 2024, and the Parties shall proceed in all respects as if the Stipulation had not been executed and the related orders had not been entered, without prejudice in any way from the negotiation, fact, or terms of the Settlement, and preserving all of their respective claims and defenses in the Action, and shall revert to their respective positions in the Action. In such circumstances, the Parties shall thereafter work together to arrive at a mutually agreeable schedule for resuming litigation of the Action.

24. Exclusive jurisdiction is hereby retained over the Parties for all matters relating to the Action, including the administration, interpretation, effectuation, or enforcement of the Stipulation, the Settlement contained therein, and this Judgment, except that the Parties shall proceed in the Bankruptcy Court on the matters set forth pursuant to the terms of the Stipulation including, without limitation, the administration of Proofs of Claim.

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

26. The Trustee and/or the Trustee’s Counsel has provided notification to all appropriate federal and state officials regarding the Settlement as required by 28 U.S.C. §1715.

27. The Court finds that during the course of the Action, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

28. The Court’s orders entered during this Action relating to the confidentiality of information shall survive this Settlement.

29. A separate order shall be entered regarding Lead Counsel's application for attorneys' fees and payment of expenses as allowed by the Court. Such order shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment. Such order shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Class Action Effective Date.

30. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (i) implementation of the Settlement; (ii) any applications for attorneys' fees, costs, interest, and payment of expenses in the Action; (iii) all Parties for the purpose of construing, enforcing, and administering the Settlement and this Judgment; and (iv) other matters related or ancillary to the foregoing.

31. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is respectfully directed.

IT IS SO ORDERED.

DATED: ______________________

____
DAVID BARLOW, U.S.D.J.
DISTRICT OF UTAH

EXHIBIT 2

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

In re: **SAFEMOON US LLC,** Debtor.	Bankruptcy Case No. 23-25749 Chapter 7 Honorable Peggy Hunt

MOTION OF CHAPTER 7 TRUSTEE, PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 9019 AND 7023, TO: (I) APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE TRUSTEE AND LEAD PLAINTIFFS IN SECURITIES CLASS ACTION, AND (II) GRANT RELATED RELIEF

Ellen E. Ostrow (the "***Trustee***"), the duly-appointed trustee in the above-captioned Chapter 7 bankruptcy case (the "***Bankruptcy Case***") filed by SafeMoon US LLC (the "***Debtor***" or "***SafeMoon***"), by and through her undersigned counsel, hereby submits this Motion for an Order Pursuant to 11 U.S.C. § 105 and Rules 9019 and 7023 of the Federal Rules of Bankruptcy Procedure to: (1) Approve the Settlement Agreement attached hereto as **Exhibit 1** (the "***Settlement***

Agreement") between the Trustee and Lead Plaintiffs Mark Combs, Vlad Iacob and Benjamin Northey (collectively, the "***Lead Plaintiffs***" and, together with the Trustee, the "***Parties***"), and (2) Grant Related Relief (the "***Motion***"). In support of this Motion, the Trustee respectfully states as follows:

INTRODUCTION

Concurrently with its inception in 2021, the Debtor created and sold a SafeMoon token (the "***SFM Token***") that traded on the BNB Smart Chain, Polygon, and Ethereum blockchains. On February 17, 2022, Lead Plaintiffs filed a class action complaint against the Debtor, Braden John Karony (the Debtor's former CEO) ("***Karony***"), Kyle Nagy (the Debtor's founder), and various other executives and/or insiders of the Debtor, in the United States District Court for the Central District of California (the "***Securities Litigation***"). The Securities Litigation was ultimately transferred to the United States District Court for the District of Utah (the "***District Court***"). *See Combs et al v. SafeMoon LLC et al*, Case No. 22-cv-00642 (D. Utah). In the Securities Litigation, the plaintiffs allege that the Debtor and other defendants violated, among other things, Section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. §78j(b)) (the "***Securities Act***"), Rule 10b-5(b) promulgated thereof, and various other federal and state laws by making false statements of material fact and engaging in a scheme to defraud investors relating to the purchase or sale of a security (i.e., the SFM Token).

After the Debtor filed chapter 7, Lead Plaintiffs filed an *Application for Entry of Order/Judgment Certifying the Class for Purposes of the Class Claim Pursuant to Fed. R. Civ. P. 23 and Fed. R. Bankr. P. 7023 and 9014(c)* [Dkt. No. 182] (the "***Class Claim Motion***"). The Class

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Claim Motion requested that this Court certify a class of SafeMoon investors for the purposes of pursuing a class proof of claim against the Debtor (the "***Class Claim***").

After the filing of the Class Claim Motion, the Parties entered into discussions regarding the resolution of that motion as well as related issues regarding the treatment of the claims of SafeMoon investors in the Bankruptcy Case. Ultimately, the Parties mediated their disputes in October 2024 before Honorable Dustin Pead, United States Magistrate Judge for the District of Utah. With the assistance of Judge Pead, and after satisfaction of certain conditions precedent, the Parties reached a settlement reflected in the Settlement Agreement (the "***Settlement***").

The Settlement – if approved by this Court and the District Court (more on that below) – will have a significant, positive impact on the Debtor's estate, including by:

- Providing for a Class Claim under Bankruptcy Rule 7023 for all claims held by holders of SFM Tokens ("***SFM Tokenholder Claims***") that qualify for such treatment.
- Subordinating the Class Claim under § 510(b) of the Bankruptcy Code to all allowed general unsecured claims against the Debtor other than SFM Tokenholder Claims.
- Allowing for the prompt payment ***in full*** of all allowed unsecured claims against the Debtor's estate that are not SFM Tokenholder Claims.
- Providing that the balance of the Debtor's estate after satisfaction of all Senior Claims – estimated at $12 million now and subject to increase through the Trustee's collection efforts – shall be available to distribute on account of the Class Claim (after satisfaction of Lead Counsel's attorneys' fees etc.).
- Subject to District Court approval, appointing the Trustee as Claims Administrator to notify claimants and administer the claims process for SFM Tokenholder Claims.
- Establishing procedures for valuing and fixing the amount SFM Tokenholder Claims, subject to this Court's approval.

As set forth in detail below, the Settlement is fair, reasonable and in the best interests of the Debtor's estate and its creditors. Accordingly, the Trustee respectfully submits that this Court should approve the Settlement Agreement under Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***").

The Settlement is also subject to the approval of the District Court pursuant to a two-step approval process. After preliminary approval of the Settlement Agreement and the form of the notice to the proposed class, Lead Counsel will provide that proposed notice to each Settlement Class Member, which describes the Settlement Agreement, and informs the Settlement Class Members of their right to opt-out or object to the Settlement Agreement, and of the deadlines for doing so. The Parties will request that the District Court hold a fairness hearing no sooner than 90 days from the date notice is given pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715, at which the Parties will request final approval of the Settlement Agreement by the District Court.

JURISDICTION

This Court has jurisdiction over the Motion under 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper under 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are § 105 of the Bankruptcy Code, and Bankruptcy Rules 9019 and 7023.

BACKGROUND

The Debtor was a cryptocurrency and blockchain company based in Pleasant Grove, Utah that was created in March 2021. Concurrent with its inception, the Debtor created and sold the SFM Token that traded on the BNB Smart Chain, Polygon, and Ethereum blockchains. The value of the SFM Token increased exponentially in its first month of existence, with the SFM Token's market capitalization reaching billions of dollars in April 2021. Over time, however, allegations that the Debtor's principals made misrepresentations and engaged in other alleged misconduct led to a sharp reduction in the market price of the SFM Tokens.

On February 17, 2022, Lead Plaintiffs filed a complaint in the United States District Court for the Central District of California (the "***California District Court***"), commencing No. 22-cv-01108. On May 9, 2022, Lead Plaintiffs and Lead Counsel moved under the Private Securities Litigation Reform Act, 15 U.S.C. § 78u-4 (the "***PSLRA***"), to be appointed lead plaintiffs and lead counsel, and each Lead Plaintiff submitted a signed certification identifying their transactions in SFM Tokens, and attesting to their willingness to represent the proposed class. CA Dist. Ct. Dkt. No. 40.[1] By order dated June 7, 2022, the California District Court consolidated two related SafeMoon class actions and determined (after the sixty-day PSLRA notice period for moving for appointment as the class representative had expired) that Lead Plaintiffs were the "most adequate plaintiffs" and appointed them as lead plaintiffs in the consolidated Securities Litigation [CA Dist. Ct. Dkt. No. 52] (the "***Lead Plaintiff Order***"). Pursuant to the Lead Plaintiff Order, the California District Court (a) granted Lead Plaintiffs the authority to "represent the Class" in the Securities Litigation and any subsequent "related actions"; and (b) appointed Scott+Scott Attorneys at Law LLP ("***Scott+Scott***" or "***Lead Counsel***") as lead counsel in the Securities Litigation, with the authority to "speak for all plaintiffs and Class members in all matters regarding the litigation, including, but not limited to, pre-trial proceedings, motion practice, trial and settlement." *Id*.

[1] Citations to the California District Court shall be noted as CA Dist. Ct. Dkt. No. ___.

On October 5, 2022, the Securities Litigation was transferred to the District Court. On March 17, 2023, the Lead Plaintiffs filed the First Amended Complaint (the "***Complaint***"). In May 2023, Defendants filed four separate motions to dismiss. *See* Dist Ct. Dkt. Nos. 149-150, 152, 156.[2] In July 2023, Lead Plaintiffs filed their opposition briefs. Dist. Ct. Dkt. Nos. 165-68.

Civil proceedings are not the only forum for allegations against former principals of the Debtor. On November 1, 2023, an indictment was unsealed in the United States District Court for the Eastern District of New York charging various individuals, including Karony, with fraud and conspiracy related to SafeMoon and the SFM Tokens. *See USA v. Karony et al*, No. 1:23-cr-00433 (E.D.N.Y.) (the "***Criminal Case***"). The indictment closely tracked the allegations asserted by Lead Plaintiffs in the Securities Litigation, namely that defendants had committed securities fraud in connection with the SafeMoon entities and the sale of SFM Tokens. On May 21, 2025, the jury in the Criminal Case convicted Karony of Securities Fraud Conspiracy, Wire Fraud Conspiracy and Money Laundering Conspiracy.

Also on November 1, 2023, the Securities and Exchange Commission ("***SEC***") filed a civil complaint against the Debtor and related persons and entities which also closely tracked the allegations in the Securities Litigation. *See S.E.C. v. SafeMoon LLC et al*, No. 23-cv-08138 (E.D.N.Y. Nov. 1, 2023).

On December 14, 2023, the Debtor filed the Bankruptcy Case. That same day, the Office of the United States Trustee appointed the Trustee as the chapter 7 trustee for the Debtor's estate. Pursuant to § 362 of the Bankruptcy Code, the Securities Litigation was stayed as to the Debtor.

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[2] Citations to the District Court shall be noted as Dist. Ct. Dkt. No. ___.

On March 29, 2024, the District Court issued its omnibus order on the motions to dismiss in the Securities Litigation. The Court dismissed a number of claims without prejudice but found that Lead Plaintiffs had adequately stated claims for violation of Section 12(a)(1) of the Securities Act against the non-debtor Defendants as well as against individual defendants Karony and Thomas Smith ("***Smith***"). The District Court also found that Lead Plaintiffs have adequately stated a control person claim pursuant to Section 15 of the Securities Act against Karony. Dist. Ct. Dkt. No. 191.

On June 11, 2024, Lead Plaintiffs filed the Class Claim Motion, asking the Bankruptcy Court to certify a class of SafeMoon investors for the purposes of pursuing a class Proof of Claim against the Debtor. Lead Plaintiffs further requested to be appointed as Class Representatives and appoint Lead Counsel as Class Counsel.

Following the filing of the Class Claim Motion, on July 18, 2024, the Court issued an *Order Referring Contested Matter for Mediation* (Dkt. No. 203), and the hearing on Lead Plaintiffs' Class Claim Motion was continued.

On October 2, 2024, the Parties held their pre-mediation conference call with Judge Pead where progress was made toward settlement. Judge Pead directed the parties to further meet and confer and rescheduled the mediation for October 16, 2024. On October 9, 2024, the Lead Plaintiffs held a lengthy meet-and-confer teleconference with the Trustee, the Trustee's counsel, and the Trustee's advisors and additional progress was made toward settlement. On October 16, 2024, the Parties held their settlement conference with Judge Pead. Following arms-length negotiations through Judge Pead, the parties agreed to a global resolution of the Securities Action and the Class Claim Motion, subject to certain conditions precedent. Subsequent discussions have led to either the satisfaction of those conditions precedent or representations that they would be satisfied before the Settlement becomes effective.

PRINCIPAL TERMS OF THE PROPOSED SETTLEMENT

The principal terms of the Settlement are summarized below.[3]

- **Certification of a Settlement Class; Class Claim; Appointments.** A settlement class shall be certified consisting of all purchasers of SFM Tokens from March 8, 2021 to November 1, 2023, but excluding any such individuals who timely elect to opt out of the Class (the "***Settlement Class***" and each a "***Settlement Class Member***"). The Parties also agree to appointment of Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey as Settlement Class Representatives and appointment of Scott+Scott as settlement class counsel ("***Class Counsel***"). The Settlement Class is to be certified in order to pursue a Class Claim against the Debtor's estate on behalf of all Settlement Class Members. *See* Settlement Agreement at § 3.

- **Authorized Claimants**. The "***Net Settlement Fund***" available for the settlement class shall consist of all Authorized Claimants. "***Authorized Claimant***" means a Class Member (1) who has already submitted or submits to the Claims Administrator (recommended to be the Trustee) a timely and valid Class Member Proof of Claim, substantially similar in form to that is attached to the Notice in Exhibit A-2 to the Settlement Agreement, that is approved by the Claims Administrator in whole or in part, or (2) timely filed a proof of claim in the Bankruptcy Case in accordance with the Claims Bar Date Order that is approved by the Claims Administrator in whole or in part. *See* Settlement Agreement at § 2(b), (z).

- **Subordination of the Allowed Class Claim to all General Unsecured Claims**. The Class Claim shall be allowed as a subordinated claim under § 510(b) of the Bankruptcy Code. No distributions on the Class Claim shall be made until all Senior Claims including, without limitation, all Allowed General Unsecured Claims, are paid in full (or reserved for in full for any disputed Senior Claim). *See* Settlement Agreement at § 4.

- **Releases.** Upon the effectiveness of the Settlement, Class Members will be deemed to release numerous claims (defined as "***Releasing Lead Plaintiffs' Claims***") and various parties, including the Debtor and certain of its non-debtor affiliates (defined

[3] The terms of the settlement described herein are a summary only and are qualified in all respects by the terms set forth in the Settlement Agreement. If there is any conflict between the summary herein and the terms set forth in the Settlement Agreement, the terms in the Settlement Agreement shall control.

as the "***Released Defendant Parties***"). The Trustee will also be deemed to release certain claims against Lead Plaintiffs and Lead Counsel (defined as the "***Released Lead Plaintiff Parties***"). *See* Settlement Agreement at § 5.

- **Contemplated Recovery Actions; Stay of Securities Action.** Consistent with her fiduciary duties, the Trustee agrees to use best efforts to pursue certain causes of action (defined as "***Contemplated Recovery Actions***") to obtain additional assets for the Estate for the benefit of all creditors, to the extent that the Trustee, in her sole discretion, deems such Contemplated Recovery Actions to be in the best interests of all creditors and the estate. To the extent that additional monies or assets are recovered pursuant to the Trustee's Contemplated Recovery Actions, these funds shall be added to the Subsequent Settlement Fund, subject to any compensation, fees and costs associated with the recovery. In consideration thereof, Lead Plaintiffs and Lead Counsel agree to stay the Securities Action against affiliates of the Debtor as well as against individual Defendants Karony and Smith such that the Trustee can pursue the Contemplated Recovery Actions. Lead Plaintiffs agree to stay the Securities Action until final judgment is issued in the Trustee's Contemplated Recovery Actions or upon written instruction from Trustee or Trustee's counsel that the claims in the Securities Action may proceed. *See* Settlement Agreement at § 7.

- **District Court Approval.** The Settlement is subject to District Court approval as part of the class action approval process. Lead Plaintiffs will submit a motion for preliminary approval of the Settlement, and must obtain preliminary and final approval of the Settlement in the District Court as well. *See* Settlement Agreement at § 8.

- **Conditions to Settlement.** The Settlement is conditioned on each of the following:

  i. Entry of the Preliminary Approval Order by the District Court;

  ii. The District Court has entered the Judgment, which is a proposed judgment and final order of dismissal;

  iii. Entry of a non-appealable order by this Court approving the Settlement Agreement;

  iv. Final Court Approval by the District Court;

  v. Agreement by the SEC to subordinate the SEC Claim to any recoveries on the Class Claim.

See Settlement Agreement at § 9.

- **Claims Administrator.** Subject to District Court approval, appointing the Trustee as Claims Administrator to notify and administer the claims process for SFM Tokenholder Claims. The Settlement also establishes procedures for valuing and fixing the amount SFM Tokenholder Claims, subject to this Court's approval. *See* Settlement Agreement at §§ 2(h), 12.

- **Attorneys' Fees and Costs.**

    a. Lead Counsel may submit an application or applications (the "***Fee and Expense Application***") for distributions to it from the Settlement Fund for: (a) an award of attorneys' fees and litigation expenses incurred in connection with prosecuting the Securities Action and seeking approval of the Settlement through Final Court Approval, including any appeals, and providing the required Notices; and (b) an amount pursuant to 15 U.S.C. §77z-1(a)(4) in connection with Lead Plaintiffs' representation of the Class (the "***Fee and Expense Award***"). Lead Counsel agrees to not seek a Fee and Expense Award exceeding $2.05 million in fees and expenses (the "***Attorneys' Fees/Costs Cap***") and to waive any award to the extent it exceeds the Attorneys' Fees/Costs Cap.

    b. The Attorneys' Fees/Costs Cap shall initially be $1.8 million. To the extent that the payout to the Settlement Fund exceeds $12,500,000, Lead Counsel shall be entitled to seek an additional award of $250,000, for a total of $2.05 million.

    c. Unless requested by the District Court or this Court, the Trustee and Trustee's Counsel shall take no position on any application by Lead Counsel for an award of attorneys' fees, costs, or expenses in connection with this Settlement. Attorneys' fees, costs, and/or expenses awarded to Lead Counsel (including taxes thereon, as applicable) shall be paid solely out of, and shall not be in addition to, the Settlement Fund.

See Settlement Agreement at § 14.

Furthermore, the Plan of Allocation developed by the Trustee and her advisors, in consultation with Lead Counsel, allocates the proceeds of the Settlement – net of any Court-approved fees and expenses, – in a *pro rata* fashion among the Settlement Class. *See id.*, Ex. A-1. The recovery of individual Class Members under the Plan of Allocation will depend on several variables, including: the aggregate value of the Class Member's SFM Token purchases, whether SFM Tokens were sold, and if so, when, and for how much they were sold. *See id.* The Net

Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims.

RELIEF REQUESTED

By this Motion, the Trustee requests the Court enter an Order approving the Settlement Agreement pursuant to Bankruptcy Rules 9019 and 7023 and granting related relief. The Settlement is fair, reasonable and in the best interests of the Debtor's estate and creditors as required by Bankruptcy Rule 9019. The Settlement also includes the recognition of the Class Claim. While the District Court will be the venue for approval of the class action settlement, this Court can be assured that recognition of the Class Claim is reasonable.

I. The Trustee Respectfully Requests the Court Approve the Settlement Pursuant to Bankruptcy Rule 9019

Bankruptcy Rule 9019 authorizes this Court to approve a compromise or settlement after notice and a hearing, and § 105 of the Bankruptcy Code empowers this Court to issue any order that is "necessary or appropriate." 11 U.S.C. § 105(a). The authority to approve a settlement is within the sound discretion of the Bankruptcy Court. *See In re Stewart*, 603 B.R. 138, 146 (Bankr. W.D. Okla. 2019) (citing *In re Kopexa Realty Venture Co*., 213 B.R. 1020, 1022 (B.A.P. 10th Cir. 1997)).

Settlements are favored in bankruptcy to minimize litigation and expedite the administration of the estate. *See In re Southern Medical Arts Co. Inc.,* 343 B.R. 250, 255 (B.A.P. 10th Cir. 2006); *In re Kaiser Steel Corp*., 105 B.R. 971, 978 (D. Colo. 1989). The Tenth Circuit has held that "[a] court's general charge is to determine whether the settlement is fair and equitable and in the best interests of the estate." *In re Rich Glob., LLC*, 652 F. App'x 625, 631 (10th Cir. 2016). The Court should approve the settlement, unless based on the evidence, it "falls below the lowest point in the range of reasonableness." *In re Velazquez*, 2019 WL 2511557, at *4 (B.A.P. 10th Cir. Jun. 18, 2019) (quoting *Rich Glob.*, 652 F. App'x at 631).

This Court's approval of a settlement must be an informed decision based on an objective evaluation of the case. *See Kopexa*, 213 B.R. at 1022; *Reiss v. Hagmann*, 881 F.2d 890, 892 (10th Cir. 1989). When conducting that evaluation, courts in the Tenth Circuit consider the four factors outlined in *Kopexa Realty Venture*, 213 B.R. at 1022. Those factors are: (a) the probability of success in the litigation, (b) the difficulties to be encountered in collection, (c) the complexities and expense of the litigation involved, and (d) the interests of creditors in proper deference to their reasonable views. *Id*.

Here, the Settlement is fair, reasonable and in the best interests of the estate. As an initial matter, the "probability of success in the litigation" factor supports entry into the Settlement, as there is a significant likelihood that the proposed Class would be recognized, which the Settlement recognizes, but in a favorable manner. The collection factor is irrelevant, as this dispute relates to claims against the estate.

The final two factors weigh in favor of the Settlement because the Settlement benefits the estate in several ways. *First*, it provides for the subordination of the Class Claim under § 510(b) of the Bankruptcy Code to all allowed general unsecured claims against the Debtor other than SFM Tokenholder Claims. This subordination will allow the Trustee, subject to this Court's approval, to pay all general unsecured claims against the Debtor ***in full*** as part of an interim distribution.

Second, the Settlement establishes procedures for identifying Class Members and the methodology for calculating the amount of SFM Tokenholder Claims, ending any disputes over those issues. *Third*, the Settlement proposes to appoint the Trustee as Claims Administrator for the

Settlement Class, streamlining the administration of the claims process and allowing any disputes over Class Member Proofs of Claim to be heard in this Court.

Fourth, the Settlement provides that Lead Plaintiffs will (a) stay the Securities Action against affiliates of the Debtor as well as against individual Defendants Karony and Smith, and (b) waive claims against various non-Debtor affiliates of the Debtor. These provisions allow the Trustee to pursue third party claims without "competing" with Lead Plaintiffs on such claims. It also reduces wasteful and duplicative attorneys' fees.

Fifth, the Settlement provides that a condition to the effectiveness of the Settlement is the agreement by the SEC to subordinate the SEC Claim to any recoveries on the Class Claim. The Trustee believes based on discussions with the SEC that she will obtain that agreement. This provision helps assure payment in full of all general unsecured claims and also avoids the Class Claim and the SEC Claim seeking damages for essentially the same injuries to SFM Tokenholders. *Sixth and finally*, the Settlement avoids complex and value destructive litigation with Lead Plaintiffs over all of the issues covered by the Settlement, preserving that value for creditors.

Moreover, it is notable that the Settlement was the product of extensive, good faith, arms' length negotiations between the Parties under the auspices of Chief Magistrate Judge Pead. In addition, Lead Counsel, a nationwide leader in securities and cryptocurrency class actions which has a thorough understanding of the factual and legal issues in the overlapping securities and bankruptcy action, supports the Settlement. Courts in securities settlements have consistently given "'great weight' … to the recommendations of counsel, who are most closely acquainted with the facts of the underlying litigation." *In re NASDAQ Mkt.-Makers Antitrust Litig.*, 187 F.R.D. 465, 474 (S.D.N.Y. 1998); *see also O'Dowd v. Anthem, Inc.*, No.

14-cv-02787-KLM-NYW, 2019 WL 4279123, at *14 (D. Colo. Sept. 9, 2019) ("[T]he recommendation of a settlement by experienced plaintiff[s'] counsel is entitled to great weight.").

Based upon the foregoing, and given the various considerations addressed herein, the Trustee believes in her business judgment that the Settlement is fair and reasonable and should be approved.

II. <u>Recognition of the Class Claim as Part of the Settlement is Reasonable</u>

Approving the Class Claim as a class proof of claim comports with Tenth Circuit law and will enable the effective and efficient resolution of Lead Plaintiffs' and the Class's claims with minimal administrative cost to the estate. The standards and procedures for certification of a class in a bankruptcy case are governed by Bankruptcy Rule 7023, which, together with Bankruptcy Rule 9014(c), makes Rule 23 of the Federal Rules of Civil Procedure applicable to bankruptcy proceedings.

Numerous courts have held that class proofs of claim are permitted in bankruptcy proceedings. *See In re Kaiser Grp. Int'l, Inc.,* 278 B.R. 58. 61-62 (Bankr. D. Del. 2002); *In re United Companies Financial Corp*., 276 B.R. 368, 371-72 (Bankr. D. Del. 2002); *In re Woodward & Lothrop Holdings, Inc.,* 205 B.R. 365, 369 (Bankr. S.D.N.Y. 1997); *In re Musicland Holding Corp.,* 362 B.R. 644, 650 (Bankr. S.D.N.Y. 2007). Approval of a class proof of claim is particularly appropriate here, as federal courts routinely hold that securities actions are particularly suited for class treatment. *See, e.g., Yi Xiang v. Inovalon Holdings, Inc.,* 327 F.R.D. 510, 519 (S.D.N.Y. 2018) (noting that class action treatment is "particularly appropriate when plaintiffs seek redress for violations of the securities laws").

While the Tenth Circuit did not approve a class proof of claim in *In re Standard Metals Corp*., 817 F.2d 625 (10th Cir. 1987) ("*Standard Metals I*"), the relevant language there does not represent the current state of the law in the Tenth Circuit and elsewhere. In *Standard Metals I*, the Tenth Circuit upheld the dismissal of the individual claimant, who had also filed a class proof of claim, for failing to appear at a deposition, and indicated that class proofs of claim were not available in bankruptcy. *Id.* at 632. Subsequently, rehearing was granted in the case, limited to the narrow issue of notice to the putative class members, purchasers of bonds of a subsidiary of Standard Metals. Upon rehearing, the dismissal of the named bankruptcy "class representative" was affirmed, but the Tenth Circuit required that notice be given to the bond purchasers and the bar date be extended— in other words, that the other bond purchasers be given another opportunity to file proofs of claim. The court stated that "[i]n view of the disposition of this appeal it is not necessary to consider the class action claims issue." *Sheftelman v. Standard Metals Corp*., 839 F.2d 1383, 1387 (10th Cir. 1987). As a result, the discussion of class proofs of claim in the S*tandard Metals I* opinion was rendered dicta.

Lower courts in the Tenth Circuit have regularly approved class proofs of claim after *Standard Metals I. See, e.g., In re Adam Aircraft Indus., Inc*., No. 08-11751 MER, 2009 WL 2100929, at *9 (Bankr. D. Colo. Mar. 20, 2009) (analyzing cases within the Tenth Circuit and in other circuits and finding that "there are circumstances under which a class proof of claim is authorized by the [Bankruptcy] Code and [Federal] Rules []"); *In re Amdura Corp.,* 170 B.R. 445, 449, (D. Colo. 1994) ("I find *Standard Metals I* does not preclude the filing of a class proof of claim in this case."); *In re Charter Co*., 876 F.2d 866, 869 (11th Cir. 1989) ("[T]he precedential value of the holding in *Standard Metals* is uncertain."). As such, particularly in the context of a settlement between the Trustee and Lead Plaintiffs, this Court has the authority to approve the Class Claim as a class proof of claim.

In addition, although the District Court will address these issues, there is a reasonable basis for certifying a class in this case under Bankruptcy Rule 7023 such that this Court can approve the Settlement as reasonable under Bankruptcy Rule 9019.[4]

Numerosity: Under Rule 23 "plaintiffs need not show that joinder of all members is impossible, only that it is impracticable." *Gelt Trading Ltd. v. Co-Diagnostics, Inc.,* No. 2:20-CV00368-JNP-DBP, 2023 WL 5334623, at *3 (D. Utah Aug. 18, 2023) (*quoting Ditty v. Check Rite, Ltd.,* 182 F.R.D. 639, 641 (D. Utah 1998). Here, there are likely thousands of Class Members given the sheer volume of SFM Token sales. Given these facts, joinder is plainly impractical.

Commonality: The Lead Plaintiffs' overarching theory of the case that the SFM Tokens were unregistered securities shows that the action is based on common questions of law and fact. They include: (i) whether SFM Tokens are securities under the Securities Act, (ii) whether the sale and promotion of the SFM Tokens by the Debtor violated the registration requirements of the Securities Act, and (iii) to what extent Lead Plaintiffs and the Class Members have sustained damages, as well as the proper measure of damages. Courts routinely hold that securities class action suits raise questions of law and fact common to all proposed class members and that litigating common issues for Lead Plaintiffs will necessarily resolve it for all proposed class

[4] The Trustee does not believe that this Court has to dive into and decide each of these Rule 7023 issues to approve the Settlement, since the District Court will necessarily decide whether these issues have been satisfied as part of its proposed approval of the Settlement. That said, because this Court has to approve the Settlement as being reasonable and in the best interests of the estate and creditors, the Trustee believed it was appropriate to include at least a short summary of the law to demonstrate that this Settlement has a significant chance of being approved by the District Court.

members. *See, e.g., Gelt*, 2023 WL 5334623, at *3 ("This case—as is typical of most securities fraud putative class actions—raises common questions of law and fact.").

Typicality: The Tenth Circuit has recognized that class certification is appropriate under the typicality standard notwithstanding differences among the situations of individual class members "so long as the claims of the plaintiff and the other class members are based on the same legal and remedial theory." *McEwen v. Digitran Sys., Inc.*, 160 F.R.D. 631, 636 (D. Utah 1994) *(quoting Penn v. San Juan Hospital*, 528 F.2d 1181, 1189 (10th Cir. 1975). Here, Lead Plaintiffs' claims are typical of the claims of the members of the class of investors that purchased SFM Tokens because the injuries of the unnamed class members result from the same course of conduct and are sufficiently similar to those of the Lead Plaintiffs.

Adequacy: Lead Plaintiffs "adequacy" theory turns on two questions: "(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?" *Rutter & Wilbanks Corp. v. Shell Oil Co*., 314 F.3d 1180, 1187-88 (10th Cir. 2002). Lead Plaintiffs are more than adequate to serve as class representatives because their interests align with those of the Class, as just described.

In addition to meeting the four elements of Rule 7023(a) and Rule 23(a), a proponent must also meet one of the prongs under Rule 7023(b) for class certification. Here, the two requirements of Rule 7023(b)(3) are satisfied, which require that the proponent show that (a) common questions of law and fact predominate over individual questions, and (b) class treatment is superior to alternative methods for the fair and efficient adjudication of claims for the Debtor's violations of the federal securities laws.

Case 2:23-cv-00442-DBB-JCB Document 213-3 Filed 09/17/25 PageID.1400 Page 19 of 101

CONCLUSION

For the reasons set forth above, the Trustee respectfully requests that this Court enter the proposed form of Order, attached hereto as Exhibit 2, approving the Settlement Agreement and such other and further relief as is just and proper.

Respectfully submitted,

DATED: September 17, 2025

/s/ Ellen E. Ostrow
Geoffrey S. Goodman
Ellen E. Ostrow

Attorneys for Chapter 7 Trustee

CERTIFICATE OF SERVICE

I hereby certify that on the 17th day of September, 2025, a true and correct copy of the foregoing **MOTION OF CHAPTER 7 TRUSTEE, PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 9019 AND 7023, TO: (I) APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE TRUSTEE AND LEAD PLAINTIFFS IN SECURITIES CLASS ACTION, AND (II) GRANT RELATED RELIEF** shall be served on the parties in the manner designated below:

By Electronic Service: I certify that the parties of record in this case, as identified below, are registered CM/ECF users:

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DATED: September 16, 2025 *<u>/s/ Elisha Teed</u>*

THE UNITED STATES DISTRICT COURT DISTRICT OF UTAH	
MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY “HANK” WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM, Defendants	Case No. 2:22-cv-00642-DBB-JCB Assigned Judge: Hon. David Barlow Referred Magistrate Judge: Jared C. Bennett
UNITED STATES BANKRUPTCY COURT DISTRICT OF UTAH	
IN RE SAFEMOON US LLC, DEBTOR.	BANKRUPTCY CASE NO. 23-25749 CHAPTER 7 HONORABLE PEGGY HUNT

STIPULATION AND AGREEMENT OF SETTLEMENT AND RELEASE

This Stipulation and Agreement of Settlement and Release, dated September 10, 2025 (including any subsequent amendments thereto, the “Stipulation”), is made and entered into by and among: (i) Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey (“Lead Plaintiffs”), on behalf of themselves and the Settlement Class (defined below), by and through Lead Counsel (defined below); and (ii) and Ellen E. Ostrow, the Chapter 7 trustee (the “Trustee”) for the bankruptcy estate (the "Estate") of SafeMoon US, LLC ("SafeMoon" or the "Debtor Defendant"), by and through Trustee's Counsel. Lead Plaintiffs and the Trustee are referred to herein as the "Settling Parties" or simply the "Parties." The Stipulation is intended to fully, finally, and forever resolve, discharge, and settle the Released Claims, subject to the approval of the District Court and Bankruptcy Court and the terms and conditions set forth in this Stipulation.

WHEREAS, on February 17, 2022, the above-captioned civil action (the "Securities Action") was first filed in the United States District Court for the Central District of California against the Debtor Defendant and other defendants, including the Debtor Defendant's former CEO Braden John Karony ("Karony").

WHEREAS, on June 7, 2022, the Lead Plaintiffs were appointed and Scott+Scott Attorneys at Law LLP was appointed as Lead Counsel.

WHEREAS, on October 5, 2022, the Securities Action was transferred to the District of Utah and was thereafter assigned to the District Court Judge David Barlow.

WHEREAS, on March 17, 2023, the operative complaint was filed in the Securities Action.

WHEREAS, on November 1, 2023, an indictment was unsealed in the United States District Court for the Eastern District of New York charging various individuals with fraud and conspiracy, including the Debtor Defendant's former CEO, Karony. *See USA v. Karony et al,* No. 1:23-cr-00433 (E.D.N.Y.) (the "Criminal Case").

WHEREAS, on May 21, 2025, the jury in the Criminal Case convicted Karony of Securities Fraud Conspiracy, Wire Fraud Conspiracy and Money Laundering Conspiracy.

WHEREAS, on November 1, 2023, the Securities and Exchange Commission ("SEC") filed a civil complaint against the Debtor Defendant and related persons and entities. *See S.E.C. v. SafeMoon LLC et al,* No. 1:23- cv-08138 (E.D.N.Y.).

WHEREAS, on December 14, 2023 (the "Petition Date"), the Debtor Defendant filed the above-captioned Chapter 7 proceeding (the "Bankruptcy Case").

WHEREAS, concurrently with the filing of the Bankruptcy Case, the Office of the United States Trustee appointed the Trustee as the chapter 7 trustee for the Estate.

WHEREAS, pursuant to title 11 of the United States Code (the "Bankruptcy Code"), the Trustee is a fiduciary for the creditors of SafeMoon and had no relationship with the Debtor Defendant or its principals prior to the Petition Date.

WHEREAS, on June 11, 2024, Lead Plaintiffs filed a Motion for Order Certifying the Class for Purposes of the Class Claim Pursuant to Fed. R. Civ. P. 23 and Fed. R. Bankr. P. 7023 and 9014(c) (the "Class Claim Motion"), asking the Bankruptcy Court to certify a class of SafeMoon investors for the purposes of pursuing a Class proof of claim against the Debtor Defendant.

WHEREAS, the Bankruptcy Court set a claims bar date of July 22, 2024 (the "Bar Date"), and on July 18, 2024, Lead Plaintiffs filed proof of claim No. 927 against the Estate on behalf of the proposed class ("Claim No. 927").

WHEREAS, rather than go through the time and expense of litigating the Class Claim Motion, the Parties desired to mediate the dispute and on July 18, 2024, the Bankruptcy Court issued its Order Referring Contested Matter for Mediation (Bankruptcy ECF No. 203). On August 9, 2024, the Bankruptcy Court issued an updated order setting the settlement conference for October 9, 2024 and a pre-settlement conference call for October 2, 2024.

WHEREAS, on October 2, 2024, the pre-settlement conference call was held with The Honorable Dustin B. Pead, Chief Magistrate of the District of Utah, and progress was made toward a settlement. Judge Pead directed the parties to meet and confer further and rescheduled the settlement conference for October 16, 2024. On October 9, 2024, the Lead Plaintiffs met and conferred with the Trustee, the Trustee's Counsel, and the Trustee's advisors and further progress was made toward a settlement. On October 16, 2024, the Parties held their settlement conference.

WHEREAS, following protracted good faith, arm's length mediation efforts, conducted by Judge Pead, Lead Plaintiffs and the Trustee (collectively, the "Settling Parties", or simply the "Parties"), by and through their respective counsel, reached a global agreement for the settlement of the Lead Plaintiffs' Class Claim Motion as well as the claims against the Debtor Defendant in the Securities Action, subject to certain post-mediation conditions precedent to the Settlement.

WHEREAS, the post-mediation conditions precedent to the Settlement have been satisfied, subject to District Court and Bankruptcy Court approval of the Settlement and the terms herein.

WHEREAS, notwithstanding their belief that the claims asserted in the Securities Action and in the Class Claim have merit based on their extensive investigations, Lead Plaintiffs and their counsel, Scott+Scott, ("Lead Counsel") recognize and acknowledge that prosecuting the Securities Action against the Debtor Defendant through the pending Class Claim Motion, summary judgment, trial, post-trial motions, and appeals, would involve substantial expense, and likely years of further litigation; that even if they were to eventually prevail in full on their claims there was no assurance that they would be able to collect on any judgment they might obtain against the Debtor Defendant, including in the manner that they are collecting under the Settlement, and that accordingly they believe that the Settlement set forth in this Stipulation confers substantial benefits upon the Class in light of the risks of continued litigation and that it is fair, reasonable and adequate, and is in the best interests of the Class.

WHEREAS, notwithstanding her belief that she had credible objections to the Class Claim Motion and the claims asserted in the Securities Action, the Trustee, based on her business judgment and advice of her advisors, determined to enter into this Settlement, among other reasons, to avoid further expense, and the burden of protracted litigation, to avoid the distraction and diversion of the Estate's resources, to avoid the risks of litigation, and to obtain a full release of all claims and potential claims from the Class Members (defined below).

NOW, THEREFORE, in consideration of the foregoing promises, and for good and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The Securities Action and the Bankruptcy Case

The Debtor Defendant was a cryptocurrency and blockchain company based in Pleasant Grove, Utah that was created in March 2021. Kyle Nagy ("Nagy") was the founder of the Debtor Defendant. Prior to the Debtor's bankruptcy filing, Karony served as the Debtor Defendant's CEO. Other individuals served in key roles at the Debtor Defendant, including, without limitation, Jack Haines-Davies, the Debtor's Chief Operating Officer, Henry Wyatt ("Wyatt"), the Debtor Defendant's Chief Technology Officer, and Thomas Smith ("Smith"), the Debtor's Chief Blockchain Officer. The Debtor Defendant is one of several entities that were part of the SafeMoon corporate structure. Concurrent with its inception, the Debtor Defendant created and sold a SafeMoon token ("SFM Token") that trades on the BNB Smart Chain, Polygon, and Ethereum blockchains. The value of the SFM Token increased exponentially in its first month of existence, with the SFM Token's market capitalization reaching billions of dollars in April 2021. Over time, however, allegations that the Debtor Defendant's principals made misrepresentations and engaged in other alleged misconduct led to a sharp reduction in the market price of the SFM Tokens.

On February 17, 2022, the Securities Action was filed in the United States District Court for the Central District of California against the Debtor Defendant and numerous other parties. On June 7, 2022, the Lead Plaintiffs were appointed and Scott+Scott Attorneys at Law LLP was appointed as Lead Counsel. On October 5, 2022, the Securities Action was transferred to the District of Utah and was thereafter assigned to Judge Barlow. On March 17, 2023, the operative complaint was filed.

In May 2023, the Debtor Defendant and other Defendants filed their motions to dismiss the complaint. On November 1, 2023, an indictment was unsealed in the Eastern District of New York charging various individuals with fraud and conspiracy, including Karony. *See USA v. Karony et al*, No. 1:23-cr-00433 (E.D.N.Y.). Also on November 1, 2023, the SEC filed a civil complaint against the Debtor Defendant and related persons and entities. *See S.E.C. v. SafeMoon LLC et al*, No. 1:23- cv-08138 (E.D.N.Y.).

On December 14, 2023, the Debtor Defendant filed the instant Chapter 7 Bankruptcy Case. By operation of the automatic stay pursuant to § 362 of the Bankruptcy Code, the Securities Action was stayed with respect to the Debtor Defendant. Concurrently with the filing of the Bankruptcy Case, the Office of the United States Trustee appointed the Trustee as the chapter 7 trustee for the Estate. The Trustee is a fiduciary for the creditors of the Debtor and had no relationship with the Debtor Defendant or its principals prior to the Petition Date.

On March 29, 2024, the District Court issued its omnibus order on the motions to dismiss in the Securities Action. The District Court: (i) dismissed Lead Plaintiffs' fraud claims under the Securities Exchange Act of 1934 (the "Exchange Act") without prejudice against all Defendants; (ii) dismissed Lead Plaintiffs' claim under Section 12(a)(1) of the Securities Act of 1933 (the

"Securities Act") for the sale of unregistered securities against Defendants Wyatt and Nagy; (iii) dismissed Lead Plaintiffs' control person claims under Section 15 of the Securities Act without prejudice against Defendants Nagy and Smith; (iv) dismissed the control person claims under Section 20 of the Exchange Act without prejudice; and (v) dismissed Lead Plaintiffs' common law claims for conversion, conspiracy, and unjust enrichment without prejudice; (vi) dismissed Lead Plaintiffs' civil RICO claim without prejudice; and (vii) dismissed Lead Plaintiffs' claims under the Florida Deceptive and Unfair Trade Practices Act without prejudice. Thus, the District Court found that Lead Plaintiffs had adequately stated claims for violation of Section 12(a)(1) of the Securities Act against the non-debtor SafeMoon entity Defendants as well as against Defendants Karony and Smith. The District Court also found that Lead Plaintiffs have adequately stated a control person claim pursuant to Section 15 of the Securities Act against Defendant Karony.

On June 11, 2024, Lead Plaintiffs filed the Class Claim Motion in the Bankruptcy Case asking the Bankruptcy Court to certify a class of SafeMoon investors for the purposes of pursuing a Class proof of claim against the Debtor Defendant. Lead Plaintiffs further requested to be appointed as Class Representatives and to appoint Lead Counsel as Class Counsel. After filing, the Parties worked together to reschedule the hearing for August 21, 2024, with any responses due August 12, 2024. Lead Plaintiffs filed proof of claim No. 927 on July 18, 2024, four days prior to the Bar Date.

Rather than go through the time and expense of litigating the Class Claim Motion, the Parties desired to mediate the dispute. On July 18, 2024, the Bankruptcy Court issued its Order Referring Contested Matter for Mediation (Bankruptcy ECF No. 203). The Court also continued the hearing on Lead Plaintiffs' Class Claim Motion.

On October 2, 2024, the Parties held their preconference call with Judge Pead. Judge Pead directed the parties to further meet and confer and rescheduled the settlement conference for October 16, 2024. On October 9, 2024, the Parties held a meet-and-confer teleconference where additional progress was made toward settlement. On October 16, 2024, the Parties held their settlement conference with Judge Pead. Following arms-length negotiations through Judge Pead, the parties agreed to resolve the Securities Action and the Class Claim Motion, subject to certain post-mediation conditions precedent to the Settlement.

The post-mediation conditions precedent to the Settlement have been satisfied, subject to District Court and Bankruptcy Court approval of the Settlement and the terms herein.

2. <u>Definitions</u>.

The following terms, as used in this Stipulation, have the following meanings:

a. "Allowed General Unsecured Claim" means an allowed unsecured claim against the Estate that (i) is not the Claim No. 927, or (b) a claim entitled to priority under § 507 of the Bankruptcy Code.

b. "Authorized Claimant" means a Class Member (1) who has already submitted or submits to the Claims Administrator a timely and valid Class

Member Proof of Claim, substantially similar in form to that attached to the Notice in Exhibit A-2 hereto, that is approved by the Claims Administrator in whole or in part, or (2) timely filed a proof of claim in the Bankruptcy Case in accordance with the Claims Bar Date Order.

c. "Attorneys' Fee/Costs Cap" means the amount that Lead Counsel has agreed to cap their attorneys' fees and costs application and recovery, which amount shall include all costs and expenses reasonably and actually incurred in connection with obtaining Final Court Approval and be included in their Fee and Expense Application. In the first instance, the Attorneys' Fee/Costs cap shall be $1.8 million. In the event that $12.5 million or more is paid out to the Settlement Class, the Attorneys' Fee/Costs Cap shall be increased by $250,000, for a total of $2.05 million.

d. "Bankruptcy Court" means the United States Bankruptcy Court for the District of Utah.

e. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

f. "Claim No. 927" means the Lead Plaintiffs' proof of claim No. 927 filed on July 18, 2024 against the Estate on behalf of the proposed class and for purposes of this Settlement only, consists of the agreed upon certified settlement class consisting of all purchasers of SFM Tokens from March 8, 2021 to November 1, 2023.

g. "Claimant" means a Person who submits a Class Member Proof of Claim to the Claims Administrator seeking to share in the Settlement Fund, including via a timely filed proof of claim in the Bankruptcy Case in accordance with the Claims Bar Date Order.

h. "Claims Administrator" means the entity to be appointed by the District Court to disseminate Notice to Class Members, as further provided herein, and administer the Settlement. The Parties agree to recommend to the District Court that the Trustee shall be appointed to serve as the Claims Administrator with Stretto as her selected service provider, on such terms as Lead Counsel and the Trustee agree are fair and reasonable (and subject to approval of the Bankruptcy Court).

i. "Claims Bar Date Order" means the Bankruptcy Court's *Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Form and Manner of Notice Thereof; and (III) Granting Related Relief*, entered on April 17, 2024 (Bankr. ECF No. 152).

j. The "Class" or the "Settlement Class" means all persons and entities that purchased SFM Tokens from March 8, 2021 through November 1, 2023.

k. “Class Action Effective Date” means the first date by which all of the events and conditions specified in Paragraph 9 below have been met and have occurred.

l. “Class Member” or “Settlement Class Member” means any Person included in the definition of the Class or Settlement Class as set forth herein, and who does not timely and validly opt out of the Class or Settlement Class in accordance with the exclusion procedure and deadline set by the District Court.

m. “Class Member Proof of Claim” means a Proof of Claim and Release Form substantially in the form attached hereto as **Exhibit A-2**.

n. “Class Representatives” or “Settlement Class Representatives” means the Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey.

o. “Complaint” means the First Amended Complaint in the Securities Action filed on March 17, 2023.

p. “Contemplated Recovery Actions” means potential legal proceedings to be initiated by the Trustee against third parties for causes of action under the Bankruptcy Code and applicable law including, without limitation, under chapter 5 of the Bankruptcy Code and for breach of fiduciary duty.

q. “Cryptocurrency” means a digital currency or crypto asset in which transactions are verified and records maintained by a decentralized system using cryptography, rather than by a centralized authority, including stablecoins, digital coins and tokens, such as security tokens, utility tokens and governance tokens.

r. “District Court” means the United States District Court for the District of Utah.

s. “Estimated Initial Settlement Fund” means approximately $12 million ($12,000,000) of the Estate’s cash on hand, which is the amount that is estimated will be allocated to the Claim No. 927 as consideration for the releases provided herein; for avoidance of doubt, this amount is an estimate only and subject to the payment of all Senior Claims.

t. “Excluded Persons” means Debtor Defendant’s founders, former officers and directors, members of their immediate families, legal representatives, heirs, successors or assigns, and any entity in which they have or had a direct or indirect controlling interest.

u. "Final Court Approval" means (1) the District Court has entered the Judgment in accordance with Paragraph 8 and the expiration of the time to appeal or seek re-argument, certification, certiorari, or other review with respect to such Judgment or, if any appeal, re-argument, writ of certiorari, or other review is filed and not dismissed, after such Judgment is upheld in all material respects and is no longer subject to re-argument, certification, certiorari, or other review, and (2) the Bankruptcy Court has entered an Order approving the Settlement and the expiration of the time to appeal or seek re-argument, certification, certiorari, or other review with respect to such Order or, if any appeal, re-argument, writ of certiorari, or other review is filed and not dismissed, after such Order is upheld in all material respects and is no longer subject to re-argument, certification, certiorari, or other review.

v. "Final Order Date" means the first business day after Final Court Approval is obtained.

w. "Judgment" means the proposed judgment and final order of dismissal with prejudice to be rendered by the District Court substantially in the form and content attached hereto as **Exhibit B**. "Judgment" also means, to the extent required by the context in this Stipulation, the "Alternate Judgment" as defined below.

x. "Lead Counsel" means Scott+Scott Attorneys at Law LLP.

y. "Net Settlement Fund" means the Estimated Initial Settlement Fund less any District Court-approved attorneys' fees and expenses awarded to Lead Counsel (up to the Attorneys' Fees/Costs Cap).

z. "Notices" means collectively the (i) Notice of Pendency and Proposed Settlement of Class Action in substantially the same form attached as **Exhibit A-1**, (the "Settlement Notice"); (ii) Notice of Motion for Attorneys' Fees and Expenses'; and (iii) Summary Notice, substantially in the form attached as **Exhibit A-3**, all of which are to be distributed by the Claims Administrator to known creditors on the creditor matrix and to other potential members of the Class via publication through social media channels as may be available, a dedicated settlement website, and on one of the following online Cryptocurrency media outlets: Coindesk, CoinTelegraph, and/or The Block. Lead Counsel also agrees to publish the Summary Notice via a press release on a newswire service.

aa. "Person" means an individual, entity, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and/or any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

bb. "Lead Plaintiffs" means Mark Combs, Vlad Iacob, and Benjamin Northey.

cc. "Plan of Allocation" means the plan for allocating the Net Settlement Fund described below, in the Settlement Notice, or in any alternate plan of allocation approved by the District Court, whereby the Net Settlement Fund shall be distributed to Authorized Claimants.

dd. "Preliminary Approval Order" means an order by the District Court substantially similar in form to **Exhibit A** hereto: (i) preliminarily approving the Settlement; (ii) approving the form of the Settlement Notice; and (iii) approving a plan for providing the Notices to Class Members by the Claims Administrator to known creditors on the creditor matrix and to other potential members of the Class via publication through social media channels as may be available, a dedicated settlement website, and on one of the following online Cryptocurrency media outlets: Coindesk, CoinTelegraph, and/or The Block, Lead Counsel's publication via a press release on a newswire service, and/or such other method that is acceptable to the Claims Administrator and approved by the District Court, that is practicable under the circumstances and satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure and the Private Securities Action Reform Act of 1995.

ee. "Released Claims" means all Released Defendants' Claims and all Releasing Lead Plaintiffs' Claims.

ff. "Releasing Lead Plaintiffs' Claims" means any and all individual or class claims, demands, losses, rights, and causes of action of any nature whatsoever, known or Unknown Claims, whether arising under federal, state, common, or foreign law by the Releasing Lead Plaintiff Parties against any of the Released Defendant Parties, that have been or could have been asserted in the securities Action, or could in the future be asserted in any forum, domestic or foreign, or which arise out of, are based upon, or relate to in any way to (i) the purchase, sale, acquisition, or disposition of SFM Tokens and (ii) any of the allegations, acts, transactions, facts, events, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to, in the Securities Action. For the avoidance of doubt, Releasing Lead Plaintiffs' Claims do not include: (i) claims relating to the enforcement of the Settlement; (ii) any claims of Persons who submit a request for exclusion that is accepted by the District Court; and (iii) any Releasing Lead Plaintiffs' Claims against third parties, including those who acted in concert with or aided and abetted any alleged wrongdoing by the Debtor Defendant other than any Released Defendant Parties.

gg. “Released Lead Plaintiff Parties” shall mean Lead Plaintiffs and Lead Counsel.

hh. “Releasing Lead Plaintiff Parties” means each and every Settlement Class Member, Lead Plaintiff, Lead Counsel, and each of their respective past or present trustees, officers, directors, partners, employees, affiliates, contractors, principals, agents, attorneys, predecessors, successors, assigns, insurers, parents, subsidiaries, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, heirs, executors, and administrators of any Releasing Lead Plaintiff Party who is an individual, as well as any trust of which any Releasing Lead Plaintiff Party is the settlor or which is for the benefit of any of their immediate family members. Releasing Lead Plaintiff Parties does not include any Person who timely and validly seeks exclusion from the Settlement Class.

ii. “Released Defendants’ Claims” means all claims and causes of action of any nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common, or foreign law, that the Trustee, the Debtor Defendant or the Estate could have asserted against the Releasing Lead Plaintiff Parties that arise out of, or relate in any way to, the institution, prosecution, or settlement of the claims in the Securities Action, except for claims relating to the enforcement of the Settlement or any claims against any Person who submits a request for exclusion that is accepted by the District Court.

jj. “Released Defendant Parties” means the Trustee, the Trustee’s Counsel and Advisors, the Debtor Defendant, Ronin Crypto Group, LC, Ronin Energy Group, LC, Ronin Money Transfer Operations, LC, Ronin Real Estate Holdings, LC, SafeMoon Media Co. Ltd., SafeMoon, LLC, SafeMoon, Ltd., SafeMoon Connect, LLC, SafeMoon Lithuania (CEX), SafeMoon Media Co. Ltd. or SafeMoon Protocol, Ltd. Released Defendant Parties also means, with respect to the Trustee and Trustee’s Counsel and Advisors, each of their respective past or present direct or indirect subsidiaries, parents, affiliates, principals, successors, and predecessors, assigns, officers, directors, controlling shareholders, underwriters, trustees, partners, agents, fiduciaries, contractors, employees, attorneys, accountants, auditors, financial or investment advisors or consultants, insurers; the spouses, members of the immediate families, representatives, heirs, executors, and administrators of the Trustee and the Trustee’s Counsel and Advisors.

kk. “Released Claims” means the Releasing Lead Plaintiffs’ Claims and the Released Defendants’ Claims.

ll. “Released Parties” means the Released Defendant Parties and the Releasing Lead Plaintiff Parties.

mm. “Releasing Parties” means each of the parties releasing a claim, as defined in the Stipulation.

nn. “SEC Claim” means any claim by the SEC against the Estate including, without limitation, the proof of claim filed against the Estate on July 5, 2024 bearing claim number 602.

oo. “Senior Claims” shall mean all claims against the Estate having priority over the claims of Class Members including, without limitation, compensation, fees and expenses of the Trustee and her professionals (including Trustee’s Counsel and Advisors), claims entitled to priority under § 507 of the Bankruptcy Code and Allowed General Unsecured Claims.

pp. “Settlement” means the settlement contemplated by this Stipulation.

qq. “Settlement Fairness Hearings” means the hearing to be scheduled by the District Court to determine (i) whether the Settlement is fair, reasonable, and adequate; and (ii) consider Lead Counsel’s request for an award of attorneys’ fees and expenses, including an aggregate award of no greater than $15,000 to Lead Plaintiffs, subject to the Attorneys' Fee/Cost Cap..

rr. “Settling Parties” or “Parties” means Lead Plaintiffs and the Trustee.

ss. “Subsequent Settlement Fund” means any additional net assets recovered or liquidated by the Trustee (after payment of fees and expenses to recover such assets), beyond the Estimated Initial Settlement Fund, that may be recovered for the benefit of the Estate and will also be allocated to the Claim No. 927 as consideration for the releases provided herein. Sources of the Subsequent Settlement Fund may include: (i) monies saved upon successful challenge of other creditors’ claims; (ii) sale of previously locked cryptocurrency assets; (iii) assets that may be recovered for the benefit of the Estate in the forfeiture action known as *United States of America v. 680,467.92 Tether Seized from OKX Account User ID 422338420543782467* (E.D. Va.); and (iv) any net assets recovered for the benefit of the Estate through the Contemplated Recovery Actions.

tt. “Trustee” means Ellen E. Ostrow, in her capacity as Chapter 7 trustee for the bankruptcy estate of SafeMoon US, LLC.

uu. “Trustee’s Counsel and Advisors” means Foley & Lardner LLP and Dundon Advisers LLC.

vv. “Unknown Claims” means any Releasing Lead Plaintiffs’ Claims which Lead Plaintiffs, any other Settlement Class Member, or any other Releasing Lead Plaintiff Party does not know or suspect to exist in their favor at the time of the release of such claims, which, if known by them, might have affected their decision(s) with respect to this Settlement, including, but not limited to, whether or not to object to this Settlement or seek exclusion from the Class; and any Released Defendants’ Claims which any Released Defendant or any other Released Defendant Party does not know or suspect to exist in their favor at the time of the release of such claims, which, if known by them might have affected their decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Class Action Effective Date of the Settlement, Lead Plaintiffs and the Trustee (on behalf of the Debtor Defendant and the Estate) shall expressly waive, and each of the other Settlement Class Members and the Trustee (on behalf of the Debtor Defendant and the Estate) shall be deemed to have waived, and by operation of the Judgment, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, 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.

The Releasing Lead Plaintiff Parties and the Trustee acknowledge that they may hereafter discover facts in addition to, or different from, those which he, she, it, or their counsel now knows or believes to be true with respect to the subject matter of the Releasing Lead Plaintiffs’ Claims or Released Defendants’ Claims, but the Settling Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Releasing Lead Plaintiff Party and the Trustee (on behalf of the Debtor Defendant and the Estate) shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Class Action Effective Date, and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, heretofore have existed, or may hereafter exist, 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, legal theories, or authorities.

Lead Plaintiffs, the Trustee and the Trustee's Counsel and Advisors acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

3. Certification of a Settlement Class. The Parties agree, for purposes of this Settlement only, that a settlement class should be certified consisting of all purchasers of SFM Tokens from March 8, 2021 to November 1, 2023, but excluding any such individuals who timely elect to opt out of the Class (the "Settlement Class" and each a "Settlement Class Member"). The Parties also agree to appointment of Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey as Settlement Class Representatives and appointment of Scott+Scott as settlement class counsel ("Class Counsel"). The Settlement Class is to be certified in order to pursue Claim No. 927 against the Estate on behalf of all Settlement Class Members.

4. Subordination of Claim No. 927. The Parties agree that the Claim No. 927 shall be allowed as a subordinated claim under § 510(b) of the Bankruptcy Code. For avoidance of doubt, no distributions on the Claim No. 927 shall be made until all Senior Claims including, without limitation, all Allowed General Unsecured Claims, are paid in full (or reserved for in full for any disputed Senior Claim).

5. Release.

a. Upon the Class Action Effective Date, the Releasing Lead Plaintiff Parties shall, pursuant to and by operation of the Judgment, fully, finally, and forever waive, release, relinquish, dismiss, and discharge the Releasing Lead Plaintiffs' Claims and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Releasing Lead Plaintiffs' Claims against any and all of the Released Defendant Parties, whether or not such Releasing Lead Plaintiff Party executes and delivers the Class Member Proof of Claim or shares in the Net Settlement Fund. Claims to enforce this Stipulation are not released.

b. Any Class Member Proof of Claim that is executed by Class Members shall release all Releasing Lead Plaintiffs' Claims against the Released Defendant Parties and shall be substantially in the form contained in Exhibit A-2 attached hereto

c. Upon the Class Action Effective Date, the Trustee (on behalf of the Debtor Defendant and the Estate) shall, pursuant to and by operation of the Judgment, fully, finally, and forever relinquish and discharge the Released Defendants' Claims against the Released Lead Plaintiff Parties. Claims to enforce this Stipulation are not released.

6. SEC Subordination: The Settlement is contingent upon the SEC agreeing to subordinate the SEC Claim to any recoveries on the Claim No. 927.

7. Settlement Fund.

   a. "Settlement Fund" means the funds to distribution to the Settlement Class, comprising the balance of the Debtor's assets on hand after payment in full of all Senior Claims, which will be allocated to Claim No. 927 as consideration for the releases provided herein.

   b. The Trustee agrees to use best efforts, consistent with her existing fiduciary duties, to recover additional assets for the benefit of creditors of the Estate. To the extent that the Trustee is successful in challenging certain claims, in liquidating currently held assets, and in recovering additional assets included Contemplated Recovery Actions, such assets, after payment in full of all Senior Claims, will be added to the Subsequent Settlement Fund for the benefit of the Settlement Class.

   c. The Trustee agrees to use best efforts to pursue the Contemplated Recovery Actions to obtain additional assets for the Estate for the benefit of all creditors, to the extent that the Trustee, in her sole discretion, deems such Contemplated Recovery Actions to be in the best interests of all creditors. To the extent that additional monies or assets are recovered pursuant to the Trustee's Contemplated Recovery Actions, these funds shall be added to the Subsequent Settlement Fund, subject to any compensation, fees and costs associated with the recovery. In consideration thereof, Lead Plaintiffs and Lead Counsel agree to stay the Securities Action against affiliates of the Debtor Defendant as well as against individual Defendants Karony and Smith such that the Trustee can pursue the Contemplated Recovery Actions. Lead Plaintiffs agree to stay the Securities Action until final judgment is issued in the Trustee's Contemplated Recovery Actions or upon written instruction from Trustee or Trustee's counsel that the claims in the Securities Action may proceed.

8. Preliminary Approval Order and Settlement Fairness Hearing.

   a. As soon as practicable after execution of the Stipulation, the Trustee shall submit the Stipulation together with its exhibits (the "Exhibits") to the Bankruptcy Court and request approval thereof pursuant to Bankruptcy Rule 9019.

   b. As soon as practicable after Bankruptcy Court approval of this Stipulation under Bankruptcy Rule 9019, Lead Plaintiffs 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, and approval of dissemination of the

Settlement Notice and Class Member Proof of Claim and Summary Notice, substantially in the forms of **Exhibit A-1, A-2,** and **A-3** attached hereto.

c. Lead Counsel shall request that the District Court hold the Settlement Fairness Hearing (to consider whether to finally approve the Settlement and Plan of Allocation) on a date no earlier than 90 days from the date of issuance of Notice to the Class. At or after the Settlement Fairness Hearing, Lead Counsel also will request that the District Court approve its Fee and Expense Application (defined below).

d. Any Class Member who wishes to opt out of the Class must submit to Lead Counsel a timely and valid written request (a "Request for Exclusion") on or before the opt-out deadline set forth in the Settlement Notice and Preliminary Approval Order. A Request for Exclusion must be signed by the Class Member and must comply with the other requirements set forth in the Notice and Preliminary Approval Order.

e. If the Settlement contemplated by this Stipulation is approved by the District Court, Lead Counsel shall request that the District Court enter a Judgment substantially in the form annexed hereto as **Exhibit B**.

f. The Parties agree to cooperate to jointly secure the District Court's preliminary and final approval of the Settlement and Bankruptcy Court's approval of the Settlement and will take all actions reasonably necessary to effectuate and implement the terms of the Settlement.

9. Conditions to Settlement.

a. The Settlement is conditioned on each of the following:

i. Entry of the Preliminary Approval Order by the District Court;

ii. The District Court has entered the Judgment, or a judgment substantially in the form and content of **Exhibit B** attached hereto, or a judgment in a form other than that provided above acceptable to all of the Settling Parties (the "Alternate Judgment");

iii. Entry of a non-appealable order by the Bankruptcy Court approving the Stipulation;

iv. Final Court Approval by the District Court;

v. Agreement by the SEC to subordinate the SEC Claim to any recoveries on the Claim No. 927.

b. Upon the occurrence of all of the events referenced in Paragraph 9.a hereof, the rights of the Settlement Class to the Net Settlement Fund (subject to the terms hereof) shall fully vest.

10. Termination.

a. The Trustee and Lead Plaintiffs, through their respective counsel, shall each have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so ("Termination Notice") to all other parties hereto within thirty (30) days of: (a) the District Court's final non-appealable refusal to enter the Preliminary Approval Order in any material respect; (b) the District Court or Bankruptcy Court's final non-appealable refusal to approve this Stipulation or any material part of it; (c) the District Court's final non-appealable refusal to enter the Judgment in any material respect; or (d) the date upon which the Judgment is finally modified or reversed in any material respect by an appellate court. Any orders with respect to Lead Counsel's Fee and Expense Application (defined below) shall not be a ground for termination of the Settlement or for the Settlement not becoming final.

11. Effect of Termination or Failure to Obtain Approval.

If this Stipulation does not obtain final approval and the Judgment (or any Alternate Judgment) does not become final and non-appealable, or if the Stipulation is terminated pursuant to Paragraph 10, the Parties shall be deemed to have reverted *nunc pro tunc* to their respective status as of September ___, 2025, and the Securities Action shall proceed in all respects as if this Stipulation and related orders had not been executed and without prejudice in any way from the negotiation, terms, or existence of this Settlement. Further, in that event:

a. This Settlement and all of the negotiations, discussions, and statements with respect hereto, shall be inadmissible in the Securities Action for all purposes and shall not entitle any party to recover costs incurred in connection with the implementation of this Settlement.

b. All Parties reserve and have not waived any rights or arguments by entering into this Stipulation, including any arguments and/or defenses with respect to liability.

c. The Stipulation and any subsequent Settlement documents shall be null and void and inadmissible in any proceeding before any court or tribunal.

12. Administration of the Settlement Fund.

a. The Trustee, as Claims Administrator, subject to such supervision and direction of the Bankruptcy Court, shall oversee distribution of the Net

Settlement Fund to Authorized Claimants. The Net Settlement Fund should be administered as follows:

i. Pay the amount awarded to Lead Counsel by the District Court on their Fee and Expense Application (subject to the Attorneys' Fees/Costs Cap); and

ii. as soon as practicable upon the entry by this District Court of the Final Approval Order, and as approved by the Bankruptcy Court, make an initial distribution of some of the Net Settlement Fund, to Class Members pursuant to the Plan of Allocation, which generally provides that for each SFM Token purchased or otherwise acquired from March 8, 2021 through November 1, 2023, inclusive (the "Class Period"), the "Recognized Loss" for each such share shall be calculated as set forth below. For SFM Tokens purchased on or after March 8, 2021 and on or before November 1, 2023, inclusive, the Recognized Loss shall be equal to (a) the amount the Claimant paid for the SFM Token(s) during that period, **less** (b) the amount, if any, the Claimant received in any sale of such SFM Tokens on or before the Petition Date. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero and the Claimant shall not be entitled to any recovery from the Settlement Fund.

b. Each Class Member who fails to submit a valid and timely Request for Exclusion shall be deemed to have submitted to the jurisdiction of the Bankruptcy Court with respect to their claim.

c. Upon the Effective Date and thereafter, in accordance with the Bankruptcy Code and the Bankruptcy Rules, and after satisfaction of all Senior Claims (or reserving in full for any disputed Senior Claims), and in accordance with the terms of the Stipulation, the Plan of Allocation, or such further order(s) of the Bankruptcy Court as may be necessary or as circumstances may require, the Trustee, in her discretion, shall make distributions from the Net Settlement Fund to Authorized Claimants at such times and in such amounts that in her discretion maximize the value of the Net Settlement Fund as part of her duty to administer the Estate.

d. By the date set forth in the Notice or such other time as may be set by the District Court, each Class Member shall be required to submit to the Claims Administrator a completed Class Member Proof of Claim, substantially in the form and content of **Exhibit A-2** hereto, with such documentation as required therein, and signed under penalty of perjury.

e. Each Class Member Proof of Claim shall be reviewed by the Claims Administrator, with the guidance and input of Lead Counsel, and the Claims

Administrator shall determine in accordance with this Stipulation and the approved Plan of Allocation, the extent, if any, to which each claim shall be allowed, subject to review by the Bankruptcy Court.

f. Class Member Proofs of Claim that do not meet the submission requirement may be rejected. Prior to rejecting a Class Member Proof of Claim, in whole or in part, the Claims Administrator shall provide notice to the Claimant to allow the claimant the chance to remedy any curable deficiencies in the Class Member Proof of Claim submitted pursuant to Bankruptcy Rule 3007.

g. Except as otherwise ordered by the Bankruptcy Court, all Class Members who fail to timely submit a Class Member Proof of Claim within the time set forth in the Notice, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments pursuant to this Stipulation and the Settlement set forth herein, but will in all other respects be subject to and bound by the provisions of this Stipulation, the releases contained herein, and the Judgment. Any Class Member who fails to submit a Class Member Proof of Claim by the date approved by the Court shall be forever barred from receiving any payment pursuant to the Settlement (unless, by order of the Bankruptcy Court, a later submitted Class Member Proof of Claim by such Class Member is approved), but shall in all other respects be bound by all of the terms of the Settlement as set forth herein, including the terms of the Final Judgment and the release and covenant not to sue, and will be barred from bringing any action against the Released Parties. Further, each Claimant shall be deemed to have submitted to the jurisdiction of the Bankruptcy Court with respect to the Claimant's claim.

h. Class Members who filed a proof of claim in the Bankruptcy Case in accordance with the shall be deemed to have timely submitted a Class Member Proof of Claim for purposes of this Stipulation ("Bankruptcy Case Claimants"). The Claims Administrator shall be authorized to request additional information from Bankruptcy Case Claimants in order to have the claims of such Bankruptcy Case Claimants include the content set forth on **Exhibit A-2** hereto, with such documentation as required therein. If Bankruptcy Case Claimants fail to respond to any such request by the Trustee within 30 days of such request, then the Trustee (as Claims Administrator) may seek disallowance of the proof of claim of such Bankruptcy Case Claimant.

i. Each Claimant who declines to be excluded from the Class shall be deemed to have submitted to the jurisdiction of the Bankruptcy Court with respect to the Claimant's claim, including, but not limited to, all releases provided for herein and in the Judgment, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure and Federal Rules of Bankruptcy Procedure, provided that such investigation and discovery shall be limited to the Claimant's status as a Class Member and the validity and amount of the Claimant's claim. In connection with processing the Class Member Proof of Claim and Releases, no discovery shall be allowed on the merits of the Litigation or the Settlement. All proceedings with respect to the administration, processing, and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Bankruptcy Court, but shall not in any event delay or affect the finality of the Judgment. All Class Members, other Claimants, and the Settling Parties expressly waive trial by jury (to the extent any such right may exist).

j. Payment pursuant to the Settlement shall be deemed final and conclusive against all Class Members, and shall be conditioned upon filing an appropriate Class Member Proof of Claim, as set forth herein, including execution of the release and covenant not to sue. All Class Members whose claims are disallowed shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Settlement as set forth herein, including the terms of the Final Judgment and the release and covenant not to sue and will be barred from bringing any action against the Released Defendant Parties.

k. The Claims Administrator shall calculate the claims of Authorized Claimants, determine the extent to which claims shall be allowed, and oversee distribution of the Net Settlement Fund in accordance with the Plan of Allocation. The Bankruptcy Court shall have jurisdiction over the claims process, subject to the appellate rights of any party.

l. Each Authorized Claimant shall be allocated a pro rata share of the Net Settlement Fund based on his, her, or its claim to the extent allowed by the Claims Administrator, subject to the terms and conditions herein (a "Recognized Claim"), compared to the total Recognized Claims of all accepted claimants.

m. In addition to Paragraph 16 hereof, no Person shall have any claim against Lead Plaintiffs, Lead Counsel, the Trustee, the Trustee's Counsel and Advisors or other professionals retained by the Trustee, or the Trustee as Claims Administrator, based on distributions of the Settlement Fund made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Bankruptcy or District Courts; and no Person shall have any Claims against the Released Defendants or the Released Defendant Parties based on distributions of the Settlement Fund, whether or not made substantially in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Bankruptcy Court.

n. The Net Settlement Fund shall be distributed to 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 three (3) months from the date of the final distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), the Trustee, shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is de minimis and no longer economically feasible to distribute to Class Members. Thereafter, any balance which still remains in the Net Settlement Fund shall be paid to the Bankruptcy Court's Unclaimed Funds Registry.

o. 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 Bankruptcy Court separately from the Bankruptcy Court's and District Court's consideration of the fairness, reasonableness, and adequacy of the Settlement set forth in the Stipulation. 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 Bankruptcy Court's Order or District Court's Judgment approving the Stipulation and the Settlement set forth therein, or any other orders entered pursuant to the Stipulation.

p. The provisions of the Agreement regarding the administration of the Settlement Fund and distribution of the Net Settlement Fund to Authorized Claimants may be modified or adjusted as ordered or required by the Bankruptcy Court for efficient claims administration.

q. Upon the Class Action Effective Date, the Settlement shall be deemed final and conclusive against all Class Members in all respects, including, but not limited to, the execution of the release and covenant not to sue.

r. Following the Class Action Effective Date, neither the Trustee nor the Debtor Defendant shall have any reversionary interest in the Settlement Fund, *i.e.* this is not a claims-made settlement.

13. Plan of Allocation

The Claims Administrator shall calculate the claims of Authorized Claimants, determine the extent to which claims shall be allowed, and oversee distribution of the Net Settlement Fund in accordance with the Plan of Allocation approved by the Courts, subject to the jurisdiction of the Bankruptcy Court and any appellate court.

Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Claim, compared to the total Recognized Claims of all accepted claimants.

The Claims Administrator shall distribute the Net Settlement Fund pursuant to the methodology developed by her as Trustee, as informed by the Trustee's advisors and Lead Counsel, which in sum provides for the following plan of allocation:

a. Subject to final approval of the Bankruptcy Court and at such times in her discretion, the Claims Administrator will distribute the Net Settlement Fund to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the aggregate Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

b. Class Members shall be entitled to a subsequent distribution such that each member of the Settlement Class will receive its share of the Net Settlement Fund (valued in U.S. dollars) on a *Pro Rata* basis. This *Pro Rata* distribution is calculated based on the value of the Class Member's claim in proportion to the total value of eligible Class Member claims in the aggregate.

c. Any Plan of Allocation shall not be deemed to be part of the Settlement, and in the event that the Bankruptcy Court declines to approve the proposed plan of allocation, the Parties agree to cooperate in good faith to propose (and obtain approval of) an alternate plan of allocation.

14. <u>Attorneys' Fees and Costs</u>.

a. Lead Counsel may submit an application or applications (the "Fee and Expense Application") for distributions to it from the Settlement Fund for: (a) an award of attorneys' fees and litigation expenses incurred in connection with prosecuting the Securities Action and seeking approval of the Settlement through Final Court Approval, including any appeals, and providing the required Notices; and (b) an amount pursuant to 15 U.S.C. §77z-1(a)(4) in connection with Lead Plaintiffs' representation of the Class (the "Fee and Expense Award"). Lead Counsel agrees to not seek a Fee and Expense Award exceeding $2.05 million in fees and expenses (the "Attorneys' Fees/Costs Cap") and to waive any award to the extent it exceeds the Attorneys' Fees/Costs Cap.

b. The Attorneys' Fees/Costs Cap shall initially be $1.8 million. To the extent that the payout to the Settlement Fund exceeds $12,500,000, Lead Counsel shall be entitled to seek an additional award of $250,000, for a total of $2.05 million.

c. Unless requested by the District Court or Bankruptcy Court, the Trustee and Trustee's Counsel shall take no position on any application by Lead Counsel for an award of attorneys' fees, costs, or expenses in connection with this Settlement. Attorneys' fees, costs, and/or expenses awarded to Lead Counsel (including taxes thereon, as applicable) shall be paid solely out of, and shall not be in addition to, the Settlement Fund.

d. The amount of the Fee and Expense Award ordered by the District Court is within the discretion of the District Court. Any Fee and Expense Award awarded by the District Court shall be payable to Class Counsel from the Settlement Fund, as ordered, immediately after the District Court executes an order awarding such fees and expenses notwithstanding any objection or appeal thereto; *provided however,* that the Bankruptcy Court has entered a final non-appealable order approving the Settlement. This is subject to the joint and several obligations of all counsel and Lead Plaintiffs who receive any award of attorneys' fees, costs, and expenses to make full refunds or repayments to the Trustee, plus interest earned thereon, if the award is lowered or the Settlement is disapproved by a final order not subject to further review.

e. The Settlement is not conditioned upon any award of attorneys' fees, costs, or expenses to Lead Counsel. Any order or proceedings relating to the application for attorneys' fees, costs, and/or expenses, any appeal from any order relating thereto or reversal or modification thereof, or any award that is less than Lead Counsel requested, shall not operate to terminate or cancel the Settlement, or affect or delay the finality of the Judgment approving the Settlement.

15. No Admission.

The Parties agree that the proposed Settlement is a compromise of disputed claims and in no way represents, and may not be construed as, or received in evidence as, an admission of liability or an admission against interest or an admission of any wrongdoing whatsoever by any of the Settling Defendants. The Settlement shall not be construed as, or received in evidence as, an admission, concession, or presumption against the Lead Plaintiffs or any of the Class Members that any of their claims are without merit, or that any defenses asserted by the Settling Defendants have any merit, or that damages recoverable in the Action would not have exceeded the Settlement Fund. The Settlement and all negotiations, discussions, and proceedings in connection with the Settlement shall not create an inference of wrongdoing, and are inadmissible for any purpose other than the enforcement of the terms of this Settlement.

16. Liability. Neither the Parties nor their counsel shall have any liability for any act, omission, or determination of the Claims Administrator, or any of her respective designees or

agents, in connection with the administration of the Settlement Fund, the payment or withholding of any taxes, tax expenses, and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of any returns, or otherwise.

17. Costs. Each party shall bear his, her, or its own costs, expenses, and legal fees, except as awarded to Lead Counsel from the Settlement Fund.

18. Stay of Proceedings. Pending Final Court Approval, the Parties shall not seek relief in any forum, and all proceedings in the Securities Action shall be stayed and suspended, except that the Parties shall take all such action and file such papers as are necessary and appropriate to effect the consummation and approval of the Settlement. Pending Final Court Approval, subject to approval of the Court, all Class Members shall be barred and enjoined from prosecuting any of the Releasing Lead Plaintiffs' Claims against any of the Released Defendant Parties.

19. CAFA Notice. Pursuant to the Class Action Fairness Act, 28 U.S.C. § 1715 ("CAFA"), no later than ten (10) calendar days after this Stipulation is filed with the District Court, Lead Counsel shall complete or cause to be completed service on the appropriate federal and state government officials of all notices required under CAFA, and shall thereafter notify Lead Counsel as to completion of such service. The Claims Administrator shall cooperate in the provision of information concerning Class Members as reasonably necessary to facilitate such service.

20. Authority. Lead Counsel, on behalf of the Class, is expressly authorized by Lead Plaintiffs to take all appropriate action required or permitted to be taken by the Class pursuant to this Stipulation to effectuate its terms, and also is expressly authorized to enter into any modifications or amendments to this Stipulation on behalf of the Class which it deems appropriate. Each counsel or other Person executing this Stipulation, its Exhibits, or any related Settlement document, on behalf of any party hereto hereby warrants that such Person has the full authority to do so, and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms, subject to Final Court Approval, without requiring additional consent, approval, or authorization of any other Person, board, entity, tribunal, or other regulatory or governmental authority.

21. No Privilege Waiver. Nothing in the Stipulation, or the negotiations relating thereto, is intended to, or shall be deemed to, constitute a waiver of any applicable privilege or immunity, including, without limitation, attorney-client privilege, joint defense privilege, or work product protection.

22. Governing Law. This Stipulation shall be governed by, and construed in accordance with, the laws of the State of Utah, without regard to Utah conflict of law rules. All disputes regarding the existence, validity, or enforceability of this Stipulation shall be filed in the Bankruptcy Court. If any disputes arise out of the finalization of the settlement documentation or the Settlement itself prior to submission to the Court of the application for preliminary approval of the Settlement, those disputes will be resolved by the Bankruptcy Court.

23. Party Notice. When this Stipulation requires or contemplates that one party shall give notice to another, notice shall be provided by e-mail and next-day (excluding weekends) express delivery service as follows:

a. If to Lead Plaintiffs and the Class, then to:

SCOTT+SCOTT ATTORNEYS AT LAW LLP
John T. Jasnoch
600 W. Broadway, Suite 3300
San Diego, CA 92101
Telephone: 619-233-4565
Facsimile: 619-233-0508
jjasnoch@scott-scott.com

b. If to the Debtor Defendant, then to:

FOLEY & LARDNER LLP
Geoffrey S. Goodman
321 North Clark Street, Ste. 3000
Chicago, IL 60654
Telephone: 312.832.4514
Email: ggoodman@foley.com

FOLEY & LARDNER LLP
Ellen E. Ostrow, Trustee (#14743)
95 State Street, Suite 2500
Salt Lake City, Utah 84111
Telephone: 801.401.8900
Email: eostrow@foley.com

24. Successors. Except as otherwise provided herein, this Stipulation shall be binding upon, and shall inure to the benefit of, the Parties and their respective agents, successors, executors, heirs, and assigns.

25. No Party Is the Drafter. None of the Parties hereto shall be considered to be the drafter of this Stipulation or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof. All Parties agree that this Stipulation was drafted at arm's length, and that no parol or other evidence may be offered to explain, construe, contradict, or clarify its terms, the intent of the Parties or their counsel, or the circumstances under which the Stipulation was made or executed.

26. Calculation of Time Period. All time periods set forth herein shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Stipulation or by order of Court, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so

computed shall be included, unless it is a Saturday, a Sunday, or a federal holiday, in which case the period shall run until the end of the next day that is not one of the aforementioned days. As used herein, "legal holiday" includes New Year's Day, Martin Luther King, Jr., Day, Presidents' Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Indigenous Peoples' Day, Veterans Day, Thanksgiving Day, Christmas Day, and any other day appointed as a federal holiday.

27. Entire Agreement. This Stipulation, including the Exhibits thereto, contains the Parties' entire agreement, and supersedes any prior oral or written agreements, negotiations, and/or communications by the Parties on the subject matter hereof.

28. Amendment; Waiver. This Stipulation shall not be modified in any respect except by a writing executed by all the Parties hereto, and the waiver of any rights conferred hereunder shall be effective only if made by written instrument of the waiving party. The waiver by any party of any breach of this Stipulation shall not be deemed or construed as a waiver of any other prior, subsequent, or contemporaneous breach of this Stipulation.

29. Federal Rule of Civil Procedure Rule 11 Compliance. The Parties agree that each has fully complied with Rule 11 of the Federal Rules of Civil Procedure.

30. Execution. This Stipulation may be executed in counterparts by facsimile or original signature, each of which shall constitute and be deemed one and the same instrument. Each of the attorneys executing this Stipulation on behalf of their respective client(s) hereby represents and warrants that they have full power and authority to do so.

SCOTT+SCOTT
ATTORNEYS AT LAW LLP

John T. Jasnoch
on behalf of Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey

Dated: 9/5/2025

Ellen Ostrow
Chapter 7 Trustee

Dated: 9/16/2025

EXHIBIT A

(Proposed Order Preliminarily Approving Settlement and Providing for Notice)

THE UNITED STATES DISTRICT COURT DISTRICT OF UTAH	
MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY "HANK" WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM, Defendants	Case No. 2:22-cv-00642-DBB-JCB Assigned Judge: Hon. David Barlow Referred Magistrate Judge: Jared C. Bennett

WHEREAS, the Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey ("Lead Plaintiffs"), on behalf of themselves and each Class Member (as defined below), by and through Lead Counsel (defined below); Ellen E. Ostrow, the Chapter 7 trustee (the "Trustee") for the bankruptcy estate (the "Estate") of SafeMoon US, LLC ("SafeMoon" or the "Debtor Defendant"), by and through Trustee's Counsel, entered into a Stipulation of Settlement dated September 10, 2025 (the "Stipulation" or "Settlement"), which is subject to review and approval by this Court and which, together with the Exhibits thereto, sets forth the terms and conditions for the Settlement of the claims alleged in the above-entitled action (the "Action"); and the Court having read and considered the Stipulation and the accompanying documents; and the Parties to the Stipulation having consented to the entry of this Order; and all capitalized terms used herein having the meanings defined in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED, this ___ day of ________, 2025, that:

1. The Court preliminarily finds that:

(a) the Settlement resulted from informed, extensive arm's-length negotiations, including mediation under the direction of a highly experienced mediator, the Honorable Dustin B. Pead, Chief Magistrate of the District of Utah;

(b) the Settlement is sufficiently fair, reasonable, and adequate to warrant providing notice of the Settlement to the Class; and

(c) the Settlement Class shall be composed of all persons and entities that purchased SafeMoon (SFM) tokens from March 8, 2021 through November 1, 2023.

2. A hearing (the "Settlement Fairness Hearing") is hereby scheduled to be held before the Court, either in person or remotely at the Court's discretion, on a date no earlier than 90 days from the date notice is given pursuant to the Class Action Fairness Act, 28 U.S.C. §1715 ("CAFA"), on ___________ __, 2025, at _____ a.m./p.m., for the following purposes:

(a) to determine whether the proposed Settlement is fair, reasonable, and adequate, and should be approved by the Court;

(b) to determine whether Judgment as provided under the Stipulation should be entered;

(c) to determine whether the proposed Plan of Allocation should be approved by the Court as fair, reasonable, and adequate;

(d) to consider Lead Counsel's Fee and Expense Application;

(e) to consider the Lead Plaintiffs' requests for the payment of their time and expenses they incurred in prosecuting this litigation on behalf of the Class; and

(f) to rule upon such other matters as the Court may deem appropriate.

3. The Court reserves the right to approve the Settlement with or without modification and with or without further notice to the Class and may adjourn the Settlement Fairness Hearing without further notice to the Class. The Court reserves the right to enter the Judgment approving the Settlement regardless of whether it has approved any Fee and Expense Award.

4. The Court approves the form, substance, and requirements of the Notice of Proposed Settlement of Class Action (the "Notice") and the Summary Notice of Proposed Settlement of Class Action (the "Summary Notice"), annexed hereto as **Exhibits A-1** and **A-2**, respectively, as well as approval of the Proof of Claim and Release form, substantially in the form of **Exhibit A-3** attached hereto.

5. The Court approves the appointment of the Trustee as the Claims Administrator and with Stretto, Inc., as her selected service provider, to supervise and administer the notice procedure in connection with the proposed Settlement as follows:

(a) The Claims Administrator shall cause the Notice, substantially in the form annexed hereto, all of which are to be distributed by the Claims Administrator to known creditors on the bankruptcy creditor matrix and to other potential members of the Class via publication through available social media channels, a dedicated settlement website, and on one of the following online Cryptocurrency media outlets: Coindesk, CoinTelegraph, and/or The Block. Lead Counsel shall also publish the Summary Notice via a press release on a newswire service.

(b) The Claims Administrator shall post the Stipulation and the executed Order Preliminarily Approving Settlement and Providing for Notice on the settlement website. The Claims Administrator shall post to the settlement website the papers in support of the Settlement and the Fee and Expense Application after they are filed. The settlement website shall provide summary information regarding the case and Settlement and highlight important dates, including the date of the Settlement Fairness Hearing. All posted documents shall be available for downloading from the Settlement Website.

6. At least seven (7) calendar days prior to the Settlement Fairness Hearing, Lead Counsel shall file with the Court proof, by affidavit or declaration, of such service, which shall also describe the Claims Administrator's efforts to provide notice to Settlement Class Members in compliance with the specific requirements set forth above.

7. This Order and the Stipulation, whether the Settlement contemplated by the Stipulation is consummated or not, and any statements made or proceedings taken pursuant to them are not, shall not be deemed to be, and may not be argued to be or offered or received:

(a) Against any of the Released Defendant Parties or their legal counsel as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Released Defendant Parties with respect to the truth of any fact alleged in the First Amended Complaint (and earlier complaints filed in the Action, together the "Complaints") or the Action, or the validity of any claim that has been, or could have been, asserted against any of the Released Defendants in the Complaints or the Action, or the deficiency of any defense that has been, or could have been, asserted in the Action, or of any wrongdoing or liability by any of the Released Defendants, or any liability, fault, misrepresentation, or omission with respect to any statement or written document approved or made by any of the Released Defendants;

(b) Against the Lead Plaintiffs or any Settlement Class Member or Lead Counsel as evidence of, or construed as evidence of, any infirmity of the claims alleged by the Lead Plaintiffs in the Complaints or the Action or of any lack of merit to the claims in the Complaints or the Action or of any bad faith, dilatory motive, or inadequate prosecution of the claims in the Complaint or the Action;

(c) Against any of the Released Defendants, the Plaintiffs, or any Settlement Class Member, or their respective legal counsel, as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Released Defendants, the Lead Plaintiffs, or any Settlement Class Member, or their respective legal counsel, with respect to any liability, negligence, fault, or wrongdoing as against any of the Released Defendants, the Lead Plaintiffs, or any Settlement Class Member, or their respective legal counsel, in any other civil, criminal, or administrative action or proceeding, other than such actions or proceedings as may be necessary to effectuate the provisions of the Stipulation by the Parties to such Stipulation;

(d) Against any of the Released Defendants or their legal counsel as evidence of, or construed as evidence of, any presumption, concession, or admission by any of them that any of the Lead Plaintiffs' claims have merit, or that any defenses asserted by the Released Defendants are without merit, or that the Settlement Amount represents the amount which could or would have been received after any trial of the Action against them; or

(e) Against the Lead Plaintiffs or any Settlement Class Member or Lead Counsel as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Plaintiffs or any Settlement Class Member that any of their claims are without merit, or that any defenses asserted by the Released Defendants have any merit, or that damages recoverable in the Action would not have exceeded the Settlement Amount.

8. The form and content of the Notice and the Summary Notice, and the method set forth herein of notifying the Class of the Settlement and its terms and conditions, satisfy all applicable requirements of the Federal Rules of Civil Procedure (including Rules 23(c)-(e)), the U.S. Constitution (including the Due Process Clause), Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §78u-4(a)(7), as added by the Private Securities Litigation Reform Act of 1995, the Rules of this Court, and other applicable law, and constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

9. In order to be entitled to participate in the Net Settlement Fund, each Class Member shall take the following actions and be subject to the following conditions:

Case 2:23-cv-00442-DBB-CMR Document 213-1 Filed 09/17/25 PageID.1434 Page 53 of 101

a. Unless you filed a timely proof of claim in SafeMoon's chapter 7 bankruptcy case, Case No. 23-25749 (Bankr. D. Utah), within one hundred twenty (120) days after such time as set by the Court to mail notice to the Class, each Person claiming to be an Authorized Claimant shall be required to submit to the Claims Administrator a completed Proof of Claim, substantially in the form contained in **Exhibit A-2** attached hereto and as approved by the Court, supported by such documents as are specified in the Proof of Claim, and signed under penalty of perjury.

b. Except as otherwise ordered by the Court, all Class Members who fail to timely submit a Proof of Claim 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 therein, but will in all other respects be subject to and bound by the provisions of the Stipulation, the releases contained therein, and the Judgment. Notwithstanding the foregoing, the Trustee may, in her discretion, accept for processing late submitted claims so long as the distribution of the Net Settlement Fund to Authorized Claimants is not materially delayed, but shall incur no liability for declining to accept a late-submitted claim.

c. As part of the Proof of Claim, each Class Member shall submit to the jurisdiction of the United States Bankruptcy Court for the District of Utah (the "Bankruptcy Court") with respect to the claim submitted and shall (subject to the effectuation of the Settlement) release all Released Claims as provided in the Stipulation.

10. Class Members shall be bound by all determinations and judgments in this Action, whether favorable or unfavorable, whether or not they submit a Proof of Claim, unless they request exclusion from the Class in a timely and proper manner, as hereinafter provided. A Class Member wishing to make such request shall, no later than twenty-one (21) calendar days prior to the date scheduled herein for the Settlement Fairness Hearing, mail a Request for Exclusion in written form by First-Class Mail postmarked to the address designated in the Notice. Such Request for Exclusion shall indicate the name, address, email address, and telephone number of the person seeking exclusion, and that the person requests to be excluded from the Class, and must be signed by such person. The Request for Exclusion shall not be effective unless it is made in writing, within the time stated above, and the exclusion is accepted by the Court. Class Members requesting exclusion from the Class shall not be entitled to receive any payment out of the Net Settlement Fund as described in the Stipulation and Notice.

11. Upon receiving any Request for Exclusion, Lead Counsel shall promptly provide copies of such request(s) to Trustee's counsel within seven (7) calendar days after receiving any Request for Exclusion.

12. Any Settlement Class Member and any other interested person may appear at the Settlement Fairness Hearing or by counsel and be heard, to the extent allowed by the Court, either in support of, or in opposition to, the matters to be considered at the hearing, provided, however, that no person shall be heard, and no papers, briefs, or other submissions shall be considered by the Court in connection to such matters, unless postmarked no later than __________________, 2025, which is twenty-one (21) calendar days prior to the date scheduled herein for the Settlement

Fairness Hearing, and provided such person files with the Court a statement of objection signed by the objector, even if represented by counsel, setting forth: (i) whether the person is a Settlement Class Member; (ii) to which part of the Stipulation the Settlement Class Member objects; and (iii) the specific reason(s), if any, for such objection including any legal support the Settlement Class Member wishes to bring to the Court's attention and any evidence the Settlement Class Member wishes to introduce in support of such objection. Such Settlement Class Member shall also provide documentation sufficient to evidence their membership in the Settlement Class. Settlement Class Members wishing to appear in person at the Settlement Fairness Hearing must also submit a Notice of Intention to Appear with the objection. If the objector intends to appear at the Settlement Fairness Hearing through counsel, the objection must be postmarked no later than __________________, 2025, which is twenty-one (21) calendar days prior to the date scheduled herein for the Settlement Fairness Hearing, and the objection must also state the identity of all attorneys who will appear at the Final Approval Hearing and such counsel must submit a Notice of Intention to Appear with the objection. All objection materials must be sent to the following:

COURT	CLASS COUNSEL	TRUSTEE'S COUNSEL
Clerk of the Court United States District Court for the District of Utah Orrin G. Hatch United States Courthouse 351 South West Temple, Rm. 10.420 Salt Lake City, Utah 84101	John T. Jasnoch Scott+Scott Attorneys at Law LLP 600 W. Broadway, Suite 3300 San Diego, CA 92101	Geoffrey S. Goodman Foley & Lardner LLP 321 North Clark Street, Ste. 3000 Chicago, IL 6065

13. All papers in support of the Settlement and any Fee and Expense Application shall be filed and served fourteen (14) calendar days prior to the deadline in Paragraph 12 for objections to be filed. All reply papers shall be filed and served at least seven (7) calendar days prior to the Settlement Fairness Hearing.

14. Any Person who is excluded from the Class by virtue of having submitted a valid and timely Request for Exclusion may, at any point up to the day of the Settlement Fairness Hearing, submit a written revocation of Request for Exclusion following the same instructions in Paragraph 10 above.

15. The Court approves the appointment of the Trustee as Claims Administrator, to manage the Settlement Fund for the benefit of the Settlement Class.

16. Upon final Court approval, the rights of the Settlement Class to the Net Settlement Fund shall fully vest, and the Settlement Fund 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 Bankruptcy Court.

17. The Trustee's Counsel and Lead Counsel shall promptly furnish each other with copies of any and all objections that come into their possession.

18. Pending final determination of whether the Settlement should be approved, this Action shall be stayed and the Lead Plaintiffs, all Class Members, and any Person claiming through or on behalf of them, shall not institute, commence, maintain, or prosecute, and are hereby barred and enjoined from instituting, commencing, maintaining, or prosecuting, any proceeding in any court or tribunal that asserts any Releasing Lead Plaintiffs' Claims against any Released Defendant Party, except that the Parties shall take all such actions and file such papers as are necessary and appropriate to effect the consummation and approval of the Settlement.

19. All reasonable expenses incurred in notifying Class Members shall be paid as set forth in the Stipulation.

20. If any specified condition to the Settlement set forth in the Stipulation is not satisfied and Lead Plaintiffs or Trustee elects to terminate the Settlement, then the Stipulation, including any amendment(s) thereof, shall be null and void, of no further force or effect without prejudice to any party, and may not be introduced as evidence or referred to in any action or proceeding by any person or entity for any purpose, and each party shall be restored to their respective position as it existed on September 10, 2025.

21. No Person shall have any claim against Lead Plaintiffs, Lead Counsel, the Settlement Class Members, the Claims Administrator, the Trustee, the Released Defendant Parties, or any other agent designated by the Claims Administrator based on distributions of the Settlement Fund, whether or not made substantially in accordance with the Stipulation and the Settlement contained therein.

22. Pursuant to the Class Action Fairness Act, 28 U.S.C. §1715, the Trustee and Trustee's Counsel shall take reasonable steps to complete service promptly on the appropriate federal and state government officials of all notices required under CAFA, and shall thereafter notify Lead Counsel as to completion of such service.

23. The Court retains jurisdiction over the Action to consider all further matters arising out of, or connected with, the Settlement. The Court may approve the Settlement, with such modifications as may be agreed by the Settling Parties, if appropriate, without further notice to the Class.

DATED: ______________________

____
DAVID BARLOW, U.S.D.J.
DISTRICT OF UTAH

EXHIBIT A-1

(Notice)

THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH

MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY "HANK" WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM, Defendants	Case No. 2:22-cv-00642-DBB-JCB Assigned Judge: Hon. David Barlow Referred Magistrate Judge: Jared C. Bennett

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS AND ENTITIES THAT PURCHASED SAFEMOON (SFM) TOKENS FROM MARCH 8, 2021 THROUGH NOVEMBER 1, 2023[1]

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

WHY SHOULD I READ THIS NOTICE?

This Notice is given pursuant to an order issued by the United States District Court for the District of Utah (the "District Court"). This Notice serves to inform you of the proposed settlement

[1] All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings provided in the Stipulation and Agreement of Settlement and Release dated October xx, 2024 (the "Stipulation"), which is available at www.SafeMoonSettlement.com.

of the above class action lawsuit (the "Settlement") for estimated distributions of approximately $12,000,000 in cash plus the potential for a subsequent settlement fund, which Class Members may be eligible to participate in, and the hearing (the "Settlement Fairness Hearing") to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, as set forth in the Stipulation. The Stipulation is by and between: (i) Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey, on behalf of themselves and each Class Member (as defined below), by and through Lead Counsel (defined below); and (ii) Ellen E. Ostrow, solely in her capacity as the Chapter 7 trustee (the "Trustee") for the bankruptcy estate (the "Estate") of SafeMoon US, LLC, by and through Trustee's Counsel. Upon and subject to the terms and conditions hereof, Lead Plaintiffs, on behalf of themselves and the Class, on the one hand, and the Trustee, on the other hand (collectively, "Settling Parties"), intend this Settlement to be a final and complete resolution of all disputes between the Settling Parties with respect to the Securities Action. This Notice is not an expression of any opinion by the District Court as to the merits of the claims or defenses asserted in the lawsuit.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
ACTIONS YOU MAY PURSUE	**EFFECT OF TAKING THIS ACTION**
IF YOU HAVE NOT ALREADY SUBMITTED A PROOF OF CLAIM IN THE BANKRUPTCY CASE, SUBMIT A PROOF OF CLAIM FORM POSTMARKED (IF MAILED) OR RECEIVED (IF FILED VIA EMAIL OR ONLINE) NO LATER THAN ___, 2025.	Get payment. You will not have a right to pursue any other lawsuit against the Released Defendants and Released Parties relating to this case.
EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION POSTMARKED NO LATER THAN ___, 2025.	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Released Defendants and the Released Parties relating to this case.
OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION POSTMARKED NO LATER THAN ______, 2025.	Write to the District Court about why you don't like the Settlement.
ATTEND THE SETTLEMENT FAIRNESS HEARING ON _____, 2025 AT ______.	Speak in District Court about the fairness of the Settlement.
DO NOTHING	If you did not submit a proof of claim with the Bankruptcy Court by the Bar Date and do nothing in response to this notice, you will receive no payment. You will be deemed to give up your rights.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Bankruptcy Court has authorized the Trustee to enter into the Settlement and has approved the Settlement. The District Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to Allowed Claimants, in accordance with the Plan of Allocation set forth below and as authorized by the Bankruptcy Court, if the Court approves the Settlement and, if there are any appeals, after the appeals are resolved. Please be patient.

WHAT IS THIS LAWSUIT ABOUT?

The Allegations and Status of the Case

The Debtor Defendant SafeMoon US, LLC was a cryptocurrency and blockchain company based in Pleasant Grove, Utah that was created in March 2021. Kyle Nagy ("Nagy") was the founder of the Debtor Defendant. Prior to the Debtor's bankruptcy filing, Braden John Karony ("Karony") served as the Debtor Defendant's CEO. Other individuals served in key roles at the Debtor, including Jack Haines-Davies ("Haines-Davies"), the Debtor's Chief Operating Officer, Henry Wyatt ("Wyatt"), the Debtor's Chief Technology Officer, and Thomas Smith ("Smith"), the Debtor's Chief Blockchain Officer. The Debtor is one of several entities that were part of the SafeMoon corporate structure. Concurrent with its inception, the Debtor created and sold a SafeMoon token ("SFM Token") that trades on the BNB Smart Chain, Polygon, and Ethereum blockchains. The value of the SFM Token increased exponentially in its first month of existence, with the SafeMoon Token's market capitalization reaching the billions of dollars in April 2021. Over time, however, allegations that the Debtor's principals made misrepresentations and engaged in other alleged misconduct led to a sharp reduction in the market price of the SFM Tokens.

On February 17, 2022, the Securities Action was filed in the United States District Court for the Central District of California against the Debtor Defendant, SafeMoon US, LLC, and numerous other parties. On June 7, 2022, the Lead Plaintiffs were appointed and Scott+Scott Attorneys at Law LLP was appointed as Lead Counsel. On October 5, 2022, the Securities Action was transferred to the District of Utah and was thereafter assigned to Judge Barlow. On March 17, 2023, the operative complaint was filed.

In May 2023, the Debtor Defendant and other Defendants filed their motions to dismiss the complaint. On November 1, 2023, an indictment was unsealed in the Eastern District of New York charging various individuals with fraud and conspiracy, including the Debtor Defendant's former CEO, Braden John Karony. *See USA v. Karony et al*, No. 1:23-cr-00433 (E.D.N.Y.) (the "Criminal Case"). Also on November 1, 2023, the Securities and Exchange Commission ("SEC") filed a civil complaint against the Debtor Defendant and related persons and entities. *See S.E.C. v. SafeMoon LLC et al*, No. 1:23- cv-08138 (E.D.N.Y.).

WHEREAS, on May 21, 2025, the jury in the Criminal Case convicted Braden John Karony of Securities Fraud Conspiracy, Wire Fraud Conspiracy and Money Laundering Conspiracy.

On December 14, 2023 (the "Petition Date"), the Debtor Defendant filed the instant Chapter 7 proceeding. By operation of the automatic stay pursuant to 11 U.S.C. § 362, the Securities Action was stayed with respect to the Debtor Defendant. Concurrently with the filing of the chapter 7 case, the Office of the United States Trustee appointed the Trustee as the chapter 7 trustee for the Estate. Pursuant to title 11 of the United States Code (the "Bankruptcy Code"), the Trustee is a fiduciary for the creditors of SafeMoon and had no relationship with the Debtor Defendant or its principals prior to the Petition Date.

On March 29, 2024, the District Court issued its omnibus order on the motions to dismiss in the Securities Action. The District Court: (i) dismissed Lead Plaintiffs' fraud claims under the Securities Exchange Act of 1934 (the "Exchange Act") without prejudice against all Defendants; (ii) dismissed Lead Plaintiffs' claim under Section 12(a)(1) of the Securities Act of 1933 (the "Securities Act") for the sale of unregistered securities against Defendants Wyatt and Nagy; (iii) dismissed Lead Plaintiffs' control person claims under Section 15 of the Securities Act without prejudice against Defendants Nagy and Smith; (iv) dismissed the control person claims under Section 20 of the Exchange Act without prejudice; and (v) dismissed Lead Plaintiffs' common law claims for conversion, conspiracy, and unjust enrichment without prejudice; (vi) dismissed Lead Plaintiffs' civil RICO claim without prejudice; and (vii) dismissed Lead Plaintiffs' claims under the Florida Deceptive and Unfair Trade Practices Act without prejudice. Thus, the District Court found that Lead Plaintiffs had adequately stated claims for violation of Section 12(a)(1) of the Securities Act against the non-debtor SafeMoon entity Defendants as well as against Defendants Karony and Smith. The District Court also found that Lead Plaintiffs have adequately stated a control person claim pursuant to Section 15 of the Securities Act against Defendant Karony.

On June 11, 2024, Lead Plaintiffs filed a Motion for Order Certifying the Class for Purposes of the Class Claim Pursuant to Fed. R. Civ. P. 23 and Fed. R. Bankr. P. 7023 and 9014(c) (the "Class Claim Motion") asking the Bankruptcy Court to certify a class of SafeMoon investors for the purposes of pursuing a Class Proof of Claim against the Debtor Defendant. Lead Plaintiffs further requested to be appointed as Class Representatives and appoint Lead Counsel as Class Counsel. After filing, the Parties worked together to reschedule the hearing for August 21, 2024, with any responses due August 12, 2024.

On July 18, 2024, the Bankruptcy Court issued its Order Referring Contested Matter for Mediation (Bankruptcy ECF No. 203). The Bankruptcy Court also continued the hearing on Lead Plaintiffs' Class Claim Motion. On October 2, 2024, the Parties held their preconference call with The Honorable Dustin B. Pead, Chief Magistrate of the District of Utah. Judge Pead directed the parties to further meet and confer and rescheduled the settlement conference for October 16, 2024. On October 9, 2024, the Parties held a meet-and-confer teleconference where additional progress was made toward settlement. On October 16, 2024, the Parties held their settlement conference with Judge Pead. Following arms-length negotiations through Judge Pead, the parties agreed to resolve the Securities Action and the Class Claim Motion.

THE COURT HAS NOT RULED AS TO WHETHER THE RELEASED DEFENDANTS ARE LIABLE TO LEAD PLAINTIFFS OR THE CLASS. THIS NOTICE IS NOT INTENDED TO BE AN EXPRESSION OF ANY OPINION BY THE COURT

WITH RESPECT TO THE TRUTH OF THE ALLEGATIONS IN THIS LAWSUIT OR THE MERITS OF THE CLAIMS OR DEFENSES ASSERTED. THIS NOTICE IS SOLELY TO ADVISE YOU OF THE PENDENCY OF THE SECURITIES ACTION AND PROPOSED SETTLEMENT THEREOF AND YOUR RIGHTS IN CONNECTION WITH THAT SETTLEMENT.

HOW DO I KNOW IF I AM A CLASS MEMBER?

If you purchased or otherwise acquired SafeMoon (SFM) Tokens between March 8, 2021 and November 1, 2023, inclusive, you may be a Class Member. As set forth in the Stipulation, excluded from the Class are any persons named as Defendants in the operative complaint, including the Debtor Defendant's founders, former officers and directors, members of their immediate families, legal representatives, heirs, successors or assigns, and any entity in which they have or had a controlling interest.

If you are not sure if you are a Class Member, you can ask for free help. You can contact the Claims Administrator at 1-800-xxx-xxxx, or John T. Jasnoch, a representative of Lead Counsel, at 1-800-332-2259. You can also fill out and return the Proof of Claim enclosed with this Notice.

PLEASE NOTE: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a 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 that is being distributed with this Notice, as directed herein, unless you timely filed a Proof of Claim in the Bankruptcy Case in accordance with the Bankruptcy Court's *Order (I) Establishing Deadlines for Filing Proofs of Claim; (II) Approving Form and Manner of Notice Thereof; and (III) Granting Related Relief*, entered on April 17, 2024 (Bankr. ECF No. 152) (the "Claims Bar Date Order").

WHAT IS THE MONETARY VALUE OF THE PROPOSED SETTLEMENT?

The Settlement, if approved, will result in the creation of an initial cash settlement fund of approximately Twelve Million ($12,000,000) in cash (the "Settlement Fund"). Depending on the outcome of additional legal proceedings in the Bankruptcy Court in pursuing recoveries on other assets of the Estate, there is a possibility of a subsequent payment into the Settlement Fund. The Settlement Fund, plus accrued interest and minus any attorneys' fees and expenses that may be approved by the District Court (the "Net Settlement Fund"), will be distributed to Class Members pursuant to the Plan of Distribution that is described in the next section of this Notice.

Should the Court award attorneys' fees of up to 16.375% of the estimated Settlement Fund (or $1,965,000), Lead Counsel's expenses of up to $70,000 and an award to the Lead Plaintiffs of up to a combined $15,000, the estimated Net Settlement Fund will be approximately $10,000,000.

Additionally, a Class Member's actual recovery will be a *pro rata* proportion of the Net Settlement Fund determined by that Claimant's recognized claim as compared to the total recognized claims submitted. An individual Class Member may also receive more or less depending on the value of claims submitted by all Class Members, whether the individual's

Eligible Tokens (defined below) were held or sold, and, if sold, when they were sold and the amount received. See the Plan of Allocation below for more information on how claims are calculated.

WHAT IS THE PROPOSED PLAN OF DISTRIBUTION?

The Trustee and Lead Counsel have consulted with their advisors in developing the Plan of Allocation, which determines the amount that an Authorized Claimant may recover. The calculation of claims is not an estimate of actual damages or the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants.

Tradable SFM Tokens purchased or otherwise acquired on or after March 8, 2021 and on or before November 1, 2023[2] (collectively, the "Eligible Tokens") are potentially eligible for damages. The damages for each purchased token will be based on their Recognized Loss and resulting total value of each Authorized Claimant's Recognized Claim (as a percentage of the Aggregate Recognized claims of all Authorized Claimants), as set forth below.

A. Calculation of Recognized Losses on Eligible Tokens

For each Eligible Token, the Recognized Loss for each such share shall be calculated as set forth below. If a Recognized Loss amount is calculated to be a negative number, that Recognized Loss shall be set to zero and the Claimant shall not be entitled to any recovery from the Settlement Fund.

For Eligible Tokens purchased on or after March 8, 2021 and on or before November 1, 2023, inclusive, the Recognized Loss shall be equal to (a) the amount the Claimant paid for the Eligible Token(s) during that period, **less** (b) the amount, if any, the Claimant received in any sale of such Eligible Tokens on or before the Petition Date. The value of any Cryptocurrency used to acquire Eligible Tokes – or received in a sale of Eligible Tokens – shall be converted to U.S. dollars based on the market price of such Cryptocurrency on the applicable acquisition or sale date.

B. Additional Provisions Relating to the Calculation of Recognized Losses

For Class Members who made multiple purchases (and/or acquisitions) and/or sales of Eligible Tokens during the Class Period, the First-In, First-Out ("FIFO") method will be applied to purchases (and/or acquisitions) and sales for purposes of calculating a claim. Under the FIFO method, sales of Eligible Tokens during the Class Period will be matched in chronological order against Eligible Tokens purchased or otherwise acquired during the Class Period.

All purchase, acquisition, and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of Eligible Tokens during the Class Period shall not be deemed a purchase or sale of such shares for the calculation of a Claimant's Recognized Claim, nor shall it be deemed an assignment of any claim relating to the purchase of such tokens unless specifically provided in the instrument of gift or assignment, or if the donor or decedent

[2] The period of March 8, 2021 through November 1, 2023 shall be known as the "Class Period."

purchased or otherwise acquired such Eligible Tokens during the Class Period and no Proof of Claim form was submitted by or on behalf of the donor, on behalf of the decedent, or anyone else with respect to such Eligible Tokens.

C. Allocation of Net Settlement Proceeds Based on Recognized Losses

A Claimant's "Recognized Claim" under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss amounts for their Eligible Tokens, as determined in accordance with §§ A and B above.

As noted above, to the extent a Claimant had a market gain with respect to his, her, or its overall transactions in Eligible Tokens between March 8, 2021 and the Petition Date, the value of the Claimant's Recognized Claim shall be zero, but such Claimants shall in any event be bound by the Settlement.

The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the aggregate Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant's Distribution Amount calculates to less than $50.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant.

The Net Settlement Fund will not be distributed to Class Members unless and until the Courts have (a) approved the Settlement; and (b) the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired with respect to both Courts.

Each Class Member shall be deemed to have submitted to the jurisdiction of the Courts with respect to his, her, or its claim. Payment pursuant to the Plan of Distribution set forth above shall be conclusive against all Class Members.

The Trustee may file objections to Proofs of Claim before the Bankruptcy Court. You will receive notice at your address on record of any such objection and a deadline to respond. If you are unsatisfied with the determinations, you may ask the Bankruptcy Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request. Distributions will be made to Authorized Claimants, at such times and in such amounts in the discretion of the Trustee, as approved by the Bankruptcy Court, after all claims have been processed and after the Courts have finally approved the Settlement

MUST I CONTACT LEAD COUNSEL IN ORDER TO PARTICIPATE IN DISTRIBUTION OF THE SETTLEMENT FUND?

No. If you have received this Notice and timely submit your Proof of Claim to the address or email address designated on the Proof of Claim form accompanying this Notice, you need not contact Lead Counsel. If you did not receive this Notice but believe you should have, or if your address changes, please contact the Claims Administrator at:

SafeMoon US Claims Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602
Online Submissions: https://cases.stretto.com/safemoon

THERE WILL BE NO PAYMENTS IF THE STIPULATION IS TERMINATED

The Stipulation may be terminated under several circumstances outlined in it. If the Stipulation is terminated, the Securities Action will proceed as if the Stipulation had not been entered into, subject to the applicable provisions of the Bankruptcy Code with respect to the Debtor Defendant, including the automatic stay.

WHAT ARE THE REASONS FOR SETTLEMENT?

The Court has not reached any final decisions regarding the merits of the claims or defenses asserted in the Securities Action. Instead, the Lead Plaintiffs and the Trustee have agreed to this Settlement, which was reached with the substantial assistance of the Chief Magistrate Judge Dustin Pead, who presided over the settlement conference with the Settling Parties. In reaching the Settlement, the Settling Parties have avoided the cost, delay, and uncertainty of further litigation.

As in any litigation, Lead Plaintiffs and the Class would face an uncertain outcome if they did not agree to the Settlement. The Settling Parties expected that the case could continue for an intense and longer period of time, delaying any possible recovery for the Class. There are several complicated bankruptcy-specific issues underlying the Settlement, as well as uncertainty as to the liability and amount of any claim held by the Class.

Lead Plaintiffs and Lead Counsel believe that this Settlement is fair and reasonable to the Class Members. They have reached this conclusion for several reasons. Specifically, if the Settlement is approved, the Class will receive a significant monetary recovery. Additionally, Lead Counsel believes that the significant and immediate benefits of the Settlement, when weighed against the significant risk, delay, and uncertainty of continued litigation and of any recovery, are an excellent result for the Class.

WHO REPRESENTS THE CLASS?

The law firm of Scott+Scott Attorneys at Law LLP represent you and other Class Members. These lawyers are called Lead Counsel. These lawyers will apply to the District Court for payment of attorneys' fees and expenses from the Settlement Fund; you will not be otherwise charged for their work. If you want to be represented by your own lawyer, you may hire one at your own expense.

HOW WILL LEAD COUNSEL BE PAID?

Lead Counsel will file a motion for an award of attorneys' fees and expenses that will be considered at the Settlement Fairness Hearing. Lead Counsel will apply for an award not to exceed $1.965 million, plus payment of expenses incurred in connection with the Securities Action in an amount not to exceed $70,000. In addition, Lead Plaintiffs may seek an aggregate award of up to $15,000 for their time and expenses incurred in representing the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. Lead Counsel has committed significant time and expenses in litigating this case for the benefit of the Class. To date, Lead Counsel have not been paid for their services in conducting the Securities Action on behalf of the Lead Plaintiffs and the Class, or for their expenses. The fees requested will compensate Lead Counsel for their work in achieving the Settlement. The Court will decide what constitutes a reasonable fee award and may award less than the amount requested by Lead Counsel.

CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

If you want to keep the right to sue or continue to sue Released Defendants on your own about the legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself from, or "opting out" of, the Class.

To exclude yourself from the Class, you must send a letter by mail saying that you want to be excluded from the Class in the following action: *Combs, et al. v. SafeMoon LLC, et al.*, Case No. 12:22-cv-00642-DBB-JCB (D. Utah). Be sure to include your name, address, e-mail address, telephone number, and sign the letter. Your exclusion request must be postmarked no later than __________, 2025 and sent to Lead Counsel at the address listed on Page 10.

You cannot exclude yourself by phone or by e-mail. If you make a proper request for exclusion, you will not receive a Settlement payment. If you make a proper request for exclusion, you will not be legally bound by anything that happens in this lawsuit. If you wish to be excluded from the Settlement Class, submit a request for exclusion only.

CAN I OBJECT TO THE SETTLEMENT, THE REQUESTED ATTORNEYS' FEES AND EXPENSES, AND/OR PAYMENT TO LEAD PLAINTIFFS?

Yes. If you are a Class Member, you may object to the terms of the Settlement. Whether or not you object to the terms of the Settlement, you may also object to the requested attorneys' fees, costs, and expenses, and/or application for an award to the Lead Plaintiffs for their time and expenses. To object, you must write to the Court setting out your objection in the case known as *Combs, et al. v. SafeMoon LLC, et al.*, Case No. 12:22-cv-00642-DBB-JCB (D. Utah) stating why you think the Court should not approve any part or all of the Settlement, the requested attorneys' fees, costs, and expenses, and/or application for an award to the Lead Plaintiffs for their time and expenses. You must include your name, address, telephone number, and your signature; include documents sufficient to prove your membership in the Class. Your letter must also state the specific reasons why you object, including any legal or evidentiary support for your objection. Your objection must state whether it applies only to you, to a specific subset of the Class, or to the entire Class.

Your objection must be filed with the United States District Court for the Southern District of Utah by hand or by mail at the address listed below such that it is **received on or before _______, 2025**, at the address set forth below. You must also serve the papers on Lead Counsel and Trustee's Counsel at the addresses set forth below so that the papers are **received on or before _______, 2025**.

COURT	LEAD COUNSEL	TRUSTEE'S COUNSEL
Clerk of the Court United States District Court for the District of Utah Orrin G. Hatch United States Courthouse 351 South West Temple, Rm. 10.430 Salt Lake City, Utah 84101	John T. Jasnoch Scott+Scott Attorneys at Law 600 W. Broadway, Suite 3300 San Diego, CA 92101 Telephone: 619-233-4565 Facsimile: 619-233-0508 jjasnoch@scott-scott.com	Geoffrey S. Goodman Foley & Lardner LLP 321 North Clark St. Suite 3000 Chicago, IL 60654 Telephone: 312-832-4514 ggoodman@foley.com (Counsel for the Trustee)

Unless otherwise ordered by the Court, any Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and will not be able to appear separately at the Settlement Hearing or to make any objection to the Settlement, the application for attorneys' fees, costs, and expenses, and/or application for an award to the Lead Plaintiffs for their time and expenses.

If you hire an attorney (at your own expense) to represent you for purpose of objecting, your attorney must serve a notice of appearance on counsel listed above and file it with the Court (at the addresses set out above) by no later than ____________, 2025.

WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING MYSELF FROM THE SETTLEMENT?

Objecting is telling the Court that you do not like something about the proposed Settlement, Lead Counsel's request for an award of attorneys' fees and expenses, or an award to the Lead Plaintiffs for their time and expenses. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class or participate in the recovery.

HOW CAN I GET A PAYMENT?

To share in the distribution of the Net Settlement Fund, you must establish your rights by submitting a Proof of Claim and Release Form ("Proof of Claim") by mail (postmarked no later than _____________, 2025), or electronically at the following website: www.SafeMoonSettlement.com, or by email at the following email address: info@safemoonsettlement.com, no later than __________, 2025. The address for mailing the proof of claim is:

SafeMoon US Claims Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602

Your failure to submit your Proof of Claim by ____________, 2025, will subject your claim to possible rejection and may preclude you from receiving any of the recovery in connection with the Settlement of the Securities Action. If you do not submit a valid Proof of Claim, you will not receive a payment from the Net Settlement Fund unless you previously submitted a proof of claim in the Bankruptcy Case in accordance with the Claims Bar Date Order; however, unless you expressly exclude yourself from the Class as described above, you will still be bound in all other respects by the Settlement, the Judgment, and the releases contained in them.

WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit relating to securities claims involving the purchase or other acquisition of the SFM Tokens at issue in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will fully, finally, and forever release the Releasing Lead Plaintiff Claims in this case.

"Released Claims" means all Released Defendants' Claims and all Releasing Lead Plaintiff Claims.

"Releasing Lead Plaintiffs' Claims" means any and all individual or class claims, demands, losses, rights, and causes of action of any nature whatsoever, known or Unknown Claims, whether arising under federal, state, common, or foreign law by the Releasing Lead Plaintiff Parties against any of the Released Defendant Parties, that have been or could have been asserted in the Securities Action, or could in the future be asserted in any forum, domestic or foreign, or which arise out of, are based upon, or relate to in any way to (i) the purchase, sale, acquisition, or disposition of SafeMoon (SFM) Tokens (defined below) and (ii) any of the allegations, acts, transactions, facts, events, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to, in the Securities Action. For the avoidance of doubt, Releasing Lead Plaintiffs' Claims do not include: (i) claims relating to the enforcement of the Settlement; (ii) any claims of Persons who submit a request for exclusion that is accepted by the Court; and (iii) any Releasing Lead Plaintiffs' Claims against third parties, including those who acted in concert with or aided and abetted any alleged wrongdoing by the Debtor Defendant.

"Releasing Lead Plaintiff Parties" means each and every Settlement Class Member, Lead Plaintiff, Lead Counsel, and each of their respective past or present trustees, officers, directors, partners, employees, affiliates, contractors, principals, agents, attorneys, predecessors, successors, assigns, insurers, parents, subsidiaries, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, heirs, executors, and administrators of any Releasing Lead Plaintiff Party who is an individual, as well as any trust of which any Releasing Lead Plaintiff Party is the settlor or which is for the benefit of any of their immediate family members. Releasing Lead Plaintiff Parties does not include any Person who timely and validly seeks exclusion from the Settlement Class.

"Released Defendants' Claims" means all claims and causes of action of any nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common, or foreign law, that Released Defendants could have asserted against the Releasing Lead Plaintiff Parties that arise out of, or relate in any way to, the institution, prosecution, or settlement of the claims in the Securities Action, except for claims relating to the enforcement of the Settlement or any claims against any Person who submits a request for exclusion that is accepted by the Court.

"Released Defendant Parties" means the Trustee, the Trustee's Counsel and Advisors, the Debtor Defendant, Ronin Crypto Group, LC, Ronin Energy Group, LC, Ronin Real Estate Holdings, LC, SafeMoon, LLC, SafeMoon, Ltd., SafeMoon Connect, LLC, SafeMoon Lithuania (CEX), SafeMoon Media Co. Ltd. or SafeMoon Protocol, Ltd. Released Defendant Parties also means, with respect to the Trustee and Trustee's Counsel and Advisors, each of their respective past or present direct or indirect subsidiaries, parents, affiliates, principals, successors, and predecessors, assigns, officers, directors, controlling shareholders, underwriters, trustees, partners, agents, fiduciaries, contractors, employees, attorneys, accountants, auditors, financial or investment advisors or consultants, insurers; the spouses, members of the immediate families, representatives, heirs, executors, and administrators of the Trustee and the Trustee's Counsel and Advisors.

"Released Parties" means the Released Defendant Parties and the Releasing Lead Plaintiff Parties.

"Releasing Parties" means each of the parties releasing a claim, as defined in the Stipulation.

The above description of the proposed Settlement is only a summary. The complete terms are set forth in the Stipulation (including its exhibits), which may be obtained at www.SafeMoonSettlement.com, or by contacting Lead Counsel listed on Page 10. In the event of any inconsistency between this notice and the Stipulation, the terms of the Stipulation control.

THE SETTLEMENT FAIRNESS HEARING

The Court will hold a Settlement Fairness Hearing ______, 2025, at _____, before the Honorable David Barlow, United States District Judge, at the United States District Court for the District of Utah, Orrin G. Hatch United States Courthouse, 351 South West Temple, Rm. 10.420, Salt Lake City, Utah 84101, for the purpose of determining whether: (1) the Settlement of the Securities Action for rights to a Settlement Fund holding approximately $10 million in cash, with the possibility of Subsequent Settlement Fund, should be approved by the District Court as fair, reasonable, and adequate; (2) to award Lead Counsel attorneys' fees and expenses out of the Settlement Fund; (3) to pay the Lead Plaintiffs for their time and expenses incurred in representing the Class; and (4) to enter the final Judgment as provided under the Stipulation. The District Court may adjourn or continue the Settlement Fairness Hearing without further notice to Members of the Class. If you want to attend the hearing, you should check with Lead Counsel or www.SafemoonSettlement.com beforehand to be sure that the date and/or time have not changed.

Any Class Member may appear at the Settlement Fairness Hearing and be heard on any of the foregoing matters.

HOW DO I OBTAIN ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the proposed Settlement. The records in the Securities Action may be examined and copied at any time during regular office hours, and subject to customary copying fees, at the Clerk of the District of Utah. In addition, all of the Settlement documents, including the Stipulation, this Notice, the Proof of Claim, and proposed Judgment may be obtained on the settlement website, www.SafemoonSettlement.com, or by contacting the Claims Administrator at:

SafeMoon US Claims Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602
Online Submissions: https://cases.stretto.com/safemoon

In addition, you may contact John T. Jasnoch, a representative of Lead Counsel, at 1-800-332-2259, if you have any questions about the Action or the Settlement or want to obtain Settlement documents.

DO NOT WRITE TO, OR TELEPHONE, THE COURT FOR INFORMATION

DATED: ___________________, 2025

BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH

EXHIBIT A-2

(Proof of Claim and Release)

THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH

MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY "HANK" WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM, Defendants	Case No. 2:22-cv-00642-DBB-JCB Assigned Judge: Hon. David Barlow Referred Magistrate Judge: Jared C. Bennett

UNITED STATES BANKRUPTCY COURT

DISTRICT OF UTAH

IN RE SAFEMOON US LLC, DEBTOR.	BANKRUPTCY CASE NO. 23-25749 CHAPTER 7 HONORABLE PEGGY HUNT

PROOF OF CLAIM AND RELEASE FORM

To recover as a Settlement Class Member based on the claims asserted against the Released Defendant Parties in this Action, you must complete, ***sign***, and submit this Proof of Claim and Release Form ("Claim Form"). If you fail to submit a properly addressed Claim Form, your claim may be rejected and you may be barred from any recovery from the Net Settlement Fund created under the proposed Settlement.[1] YOU MUST MAIL, EMAIL, OR SUBMIT ONLINE YOUR COMPLETED AND SIGNED CLAIM FORM, TOGETHER WITH COPIES OF THE DOCUMENTS REQUESTED HEREIN, **ON OR BEFORE ______________________, 2025**, TO:

[1] If you previously filed a proof of claim with the Bankruptcy Court, you do not need to complete this form. The Trustee or her Advisors may request additional information from those that previously filed proofs of claim in the Bankruptcy Court.

SafeMoon US Claims Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602
Online Submissions: https://cases.stretto.com/safemoon

PART I: GENERAL INSTRUCTIONS

1. It is important that you read and understand the Notice of Pendency and Proposed Settlement of Class Action (the "Notice") that accompanies this Claim Form. The Notice describes the proposed Settlement and how Settlement Class Members' rights may be affected by it. The Notice also contains the definitions of certain of the defined terms (which are indicated by initial capital letters) used in this Claim Form. By signing and submitting the Claim Form, you will be certifying that you have read and that you understand the Notice, including the terms of the releases that you will be giving if you submit a Claim Form.

2. This Claim Form is directed to all Persons who purchased or otherwise acquired SafeMoon (SFM) Tokens between March 8, 2021 and November 1, 2023, inclusive. If you fit within this definition, and (i) are not excluded from the Class by reason of your relationship to one of the founders or former officers and/or directors of SafeMoon US, LLC., or their affiliates (*see* Notice at 5 ("How Do I Know If I Am a Class Member?")) and (ii) do not exclude yourself by submitting a request for exclusion (*see* Notice at 9- ("Can I Exclude Myself from the Settlement?")), then you are a Settlement Class Member.[2]

3. If you are NOT a Settlement Class Member, you may NOT participate in the Settlement, you should NOT submit a Claim Form, and any Claim Form you submit will be rejected.

4. If you are a Settlement Class Member and you do not timely request exclusion, you will be bound by the terms of any judgment entered in this Action, including the releases provided for under the Settlement (*see* Notice at 11 ("What Claims Will Be Released by the Settlement?")), whether or not you submit a Claim Form.

5. 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, or by such other plan of allocation that is ultimately approved by the Bankruptcy Court.

6. Use Part II of this form, "Claimant Identification," to identify each Safemoon (SFM) Token purchaser whose purchases form the basis of this claim. *THIS CLAIM FORM MUST BE FILED BY THE ACTUAL PURCHASERS OF SAFEMOON TOKENS UPON WHOSE PURCHASES THE CLAIM IS BASED, OR BY THEIR LEGAL REPRESENTATIVE.*

7. Separate Claim Forms should be submitted for each separate legal entity that purchased Safemoon (SFM) Tokens (*e.g.*, a claim from joint owners should not include separate transactions of just one of the joint owners, and an individual should not combine his or her transactions through a separate legal entity with transactions made solely in the individual's name). Generally, a single Claim Form should be submitted on behalf of one legal entity including all holdings and transactions made by that entity on one Claim Form. If a single person or legal entity had multiple accounts that were separately managed, separate Claim Forms may be submitted for each such account. The Claims Administrator reserves the right to request information on all holdings and transactions in Safemoon (SFM) Tokens made on behalf of a single beneficial owner.

8. All joint beneficial owners, purchasers, or acquirers must sign this Claim Form.

9. Agents, executors, administrators, guardians, conservators, and trustees must complete and sign this Claim Form on behalf of Persons represented by them. They must also (i) identify the capacity in which they are acting; (ii) identify the name, account number, last four digits of the Social Security Number (or Taxpayer Identification Number) of the beneficial owner (or other Person or entity on whose behalf they are acting); and (iii) provide documentary evidence of their authority to legally bind the person or entity on whose behalf they are acting to the Claim Form. (Authority to complete and sign a Claim Form cannot be established by brokers who show only that they have discretionary authority to trade in another person's accounts).

10. 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 U.S. law. Making false statements or submitting fraudulent documentation will result in the rejection of your Claim and may subject you to civil liability or criminal prosecution.

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[2] If you previously filed a proof of claim in the Bankruptcy Case, your claim, subject to any objections filed to the same, will be treated as a Settlement Class Claim.

NOTICE REGARDING ELECTRONIC FILES: Certain Claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. If you wish to submit your claim electronically, you must download the electronic filing template at www.SafemoonSettlement.com and follow the instructions contained within. **Any file that does not comply with the required electronic filing format will be subject to rejection**. Do not assume that your file has been received until you receive a confirmation from Stretto that your claim has been received. If you do not receive such confirmation upon submitting your claim, you should contact the Claims Administrator's Electronic Filing Department at TeamSafeMoon@stretto.com to inquire about your submission and confirm it was received.

ADDITIONAL INFORMATION REQUESTS: The Trustee and her Advisors may request additional information from each Claimant. Each Claimant must provide this information to be eligible for a distribution.

PROOF OF CLAIM AND RELEASE ("CLAIM FORM")

Combs v. Safemoon LLC, et al., Case No. 2:22-cv-00642-DBB-JCB (D. Utah)

PART II: CLAIMANT IDENTIFICATION

The Claims Administrator will use this information for all communications regarding this Claim Form. If this information changes, you MUST notify the Claims Administrator in writing at the address above. Complete names of all persons and entities must be provided. The Trustee and her Advisors will verify each wallet address after submission of this Claim Form to determine the claim amount.[3]

Beneficial Owner's Name

Co-Beneficial Owner's Name(s)

Entity Name (if Claimant is not an individual)

Representative or Custodian Name (if different from Benefical Owner(s) listed above)

Address 1 (street name and number)

Address 2 (apartment, unit, or box number)

City State Zip Code/Province Country

Last Four Digits of your Social Security No. or Taxpayer I.D. No. (applicable for foreign claimants??)

Telephone Number (home/cell) Telephone Number (work)

Email Address

Account Number/Wallet Address (if filing for multiple wallets or account types, please add a separate page identifying each wallet address and/or account)

[3] Claim amounts will be net losses calculated as net purchases (from March 8, 2021 through November 1, 2023) of SafeMoon (SFM) Tokens less net sales (from March 8, 2021 through December 14, 2023) of SFM Tokens.

IN SUBMITTING THIS CLAIM, PROVIDE A COPY OF A W-9.

YOU MUST READ AND SIGN THE RELEASE BELOW.

PART II: RELEASE

1. I (we) hereby fully, finally, and forever settle, release, and discharge the Releasing Plaintiffs' Claims (as defined in the Notice).

2. I (we) hereby warrant and represent that I (we): have not assigned or transferred, voluntarily or involuntarily, any of my (our) Releasing Plaintiff Claims or any other part thereof; have not submitted any other claim covering the same purchases or acquisitions of Safemoon (SFM) Tokens ***other than any proof of claim filed in the SafeMoon US, LLC bankruptcy case, Case No. 23-25749 (Bankr. D. Utah***; and have no knowledge of any other Person having done so on my (our) behalf.

3. I (we) hereby warrant and represent that I (we) purchased Safemoon (SFM) Tokens from March 8, 2021 through November 1, 2023.

4. I (we) certify that I am (we are) NOT subject to backup tax withholding. (If the Internal Revenue Service has notified you that you are subject to backup withholding, please strike out the prior sentence.)

5. I (we) submit to the jurisdiction of the U.S. Bankruptcy [?]Court for the District of Utah *and* the U.S. District Court for the District of Utah with respect to my (our) Claim as a Settlement Class Member and for purposes of enforcing the releases set forth above.

6. I (we) declare under penalty of perjury under the laws of the United States that all of the information submitted by me (us) as part of this Claim Form is true and correct.

Signed on _____________/________/________
Month Day Year

______________________________	______________________________
(Signature of beneficial owner)	(Signature of co-beneficial owner, if any)
______________________________	______________________________
(Type or print your name here)	(Type or print your name here)
______________________________	______________________________
(Title if signing for corporate entity, or your capacity if signing as, *e.g.*, executor, trustee, etc., and attach documentation of your authority)	(Title if signing for corporate entity, or your capacity if signing as, *e.g.*, executor, trustee, etc., and attach documentation of your authority)

Reminder Checklist:

1. You must sign the above release and acknowledgment.
2. Do not send originals of certificates or other documentation as they will not be returned.
3. Keep a copy of your Claim Form and all supporting documentation for your records.
4. If you move, please send your new address to the address below.
5. Do not use red pen or highlighter on the Claim Form or any supporting documentation.
6. Accurate claims processing takes significant time. Thank you for your patience.

Do not mail or send your Claim Form to the Court, the Parties, or their counsel. Submit your Claim Form only to the Claims Administrator at the mailing, email, or online addresses listed below, no later than _____________, to:

SafeMoon US Claims Processing
c/o Stretto

410 Exchange, Suite 100
Irvine, CA 92602
Online Submissions: https://cases.stretto.com/safemoon

EXHIBIT A-3

(Summary Notice)

<table>
<tr><td colspan="2" align="center">THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH</td></tr>
<tr><td>MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated,

Plaintiffs,

v.

SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY “HANK” WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM,

Defendants</td><td>Case No. 2:22-cv-00642-DBB-JCB

Assigned Judge: Hon. David Barlow
Referred Magistrate Judge: Jared C. Bennett</td></tr>
</table>

SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS AND ENTITIES THAT PURCHASED SAFEMOON (SFM) TOKENS FROM MARCH 8, 2021 THROUGH NOVEMBER 1, 2023

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the District of Utah, that a hearing will be held on ______, 2025, at _____, before the Honorable David Barlow, United States District Judge, at the United States District Court for the District of Utah, Orrin G. Hatch United States Courthouse, 351 South West Temple, Rm. 10.420, Salt Lake City, Utah 84101, for the purpose of determining: (1) whether the proposed Settlement of the above-captioned Action, as set forth in the settlement agreement reached between the Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey, on behalf of themselves and the Class and Ellen E. Ostrow, the Chapter 7 trustee (the “Trustee”) for the bankruptcy estate (the “Estate”) of SafeMoon US, LLC ("SafeMoon"), consisting of an estimated distribution of approximately \$12,000,000 in cash (as well as a possible subsequent settlement fund), should be approved as fair, reasonable, and adequate to the Members of the Class; (2) whether the release by Class Members of claims as set forth in the Stipulation and Agreement of Settlement and Release (the "Stipulation") should be authorized; (3) whether the application by Lead Counsel for an award of attorneys' fees and expenses and any award to the Lead Plaintiffs should be approved; and (4) whether the Judgment, in the form attached to the Stipulation, should be entered. The Court may change the date of the Settlement Hearing without providing another notice. You do **NOT** need to attend the Settlement Hearing in order to receive a distribution from the Net Settlement Fund.

IF YOU PURCHASED SAFEMOON FROM MARCH 8, 2021 THROUGH NOVEMBER 1, 2023, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS LITIGATION.

Unless you filed a timely proof of claim in SafeMoon's chapter 7 bankruptcy case, Case No. 23-25749 (Bankr. D. Utah), to share in the distribution of the Net Settlement Fund, you must establish your rights by submitting a Proof of Claim and Release Form ("Proof of Claim") by mail (postmarked no later than _____________, 2025), or electronically at the following website: www.SafeMoonSettlement.com, or by email at the following email address: info@safemoonsettlement.com, no later than __________, 2025. Your failure to submit your Proof of Claim by ____________, 2025, will subject your claim to possible rejection and may preclude you from receiving any of the recovery in connection with the Settlement of this Action. If you are a member of the Class and do not request exclusion, you will be bound by the Settlement and any judgment and release entered in the Action, including, but not limited to, the Judgment, whether or not you submit a Proof of Claim. Lead Counsel represents you and other Members of the Class. If you want to be represented by your own lawyer, you may hire one at your own expense.

If you have not received a copy of the Notice, which more completely describes the Settlement and your rights thereunder (including your right to object to the Settlement or exclude yourself from the Class), you may obtain these documents, as well as a copy of the Stipulation (which, among other things, contains definitions for the defined terms used in this Summary Notice) and other Settlement documents, online at www.SafemoonSettlement.com, or by writing to, emailing, or calling:

Safemoon Settlement
Claims Administrator
c/o Stretto Inc.
PO BOX –
Address
info@safemoonsettlement.com

Inquiries may also be made to a representative of Lead Counsel at:

SCOTT+SCOTT ATTORNEYS AT LAW LLP
John T. Jasnoch
600 W. Broadway, Suite 3300
San Diego, CA 92101
Telephone: 619-233-4565
Facsimile: 619-233-0508
jjasnoch@scott-scott.com

Inquiries should **NOT** be directed to the Court, or the Clerk of the Court.

IF YOU DESIRE TO BE EXCLUDED FROM THE CLASS AND THE SETTLEMENT, YOU MUST SUBMIT A REQUEST FOR EXCLUSION SUCH THAT IT IS POSTMARKED NO LATER THAN ___________, 2025, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE. ALL MEMBERS OF THE CLASS WHO HAVE NOT REQUESTED EXCLUSION FROM THE CLASS WILL BE BOUND BY THE SETTLEMENT ENTERED IN THE ACTION.

IF YOU ARE A CLASS MEMBER, YOU HAVE THE RIGHT TO OBJECT TO THE SETTLEMENT, THE REQUEST BY LEAD COUNSEL FOR AN AWARD OF ATTORNEYS' FEES, COSTS, AND EXPENSES, AND/OR THE APPLICATION FOR AN AWARD TO THE LEAD PLAINTIFFS FOR THEIR TIME AND EXPENSES. ANY WRITTEN OBJECTIONS MUST BE SENT TO THE COURT POSTMARKED NO LATER THAN ___________, 2025, IN THE MANNER AND FORM EXPLAINED IN THE NOTICE. IF YOU FAIL TO OBJECT IN THE MANNER AND FORM EXPLAINED IN THE NOTICE, YOU WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND WILL NOT BE ABLE TO APPEAR SEPARATELY AT THE SETTLEMENT HEARING OR MAKE ANY OBJECTION TO THE SETTLEMENT, THE REQUEST BY LEAD COUNSEL FOR AN AWARD OF ATTORNEYS' FEES, COSTS, AND EXPENSES, AND/OR THE APPLICATION FOR AN AWARD TO THE LEAD PLAINTIFFS FOR THEIR TIME AND EXPENSES.

DATED: ____________________, 2025

BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH

EXHIBIT B

(Proposed Judgment)

THE UNITED STATES DISTRICT COURT DISTRICT OF UTAH	
MARK COMBS, VLAD IACOB, and BENJAMIN NORTHEY, Individually and on Behalf of All Others Similarly Situated, Plaintiffs, v. SAFEMOON LLC, SAFEMOON US, LLC, SAFEMOON CONNECT, LLC, TANO LLC, SAFEMOON LTD, SAFEMOON PROTOCOL LTD, SAFEMOON MEDIA GROUP LTD, BRADEN JOHN KARONY, JACK HAINES-DAVIES, HENRY “HANK” WYATT, JAKE PAUL, KYLE NAGY, DeANDRE CORTEZ WAY, BEN PHILLIPS, MILES PARKS McCOLLUM, THOMAS SMITH and DANIEL M. KEEM, Defendants	Case No. 2:22-cv-00642-DBB-JCB Assigned Judge: Hon. David Barlow Referred Magistrate Judge: Jared C. Bennett

[PROPOSED] FINAL ORDER AND JUDGMENT GRANTING FINAL APPROVAL OF CLASS ACTION SETTLEMENT

WHEREAS, the Court is advised that the Settling Parties, through their counsel, have agreed, subject to Court approval following notice to the Class and a hearing, to settle this Action upon the terms and conditions set forth in the Stipulation and Agreement of Settlement and Release dated September 10, 2025 (the “Stipulation”), which was filed with the Court.[1]

[1] All defined and capitalized terms herein shall have the same meaning as set forth in the Stipulation.

WHEREAS, on __________, 2025, the Court entered its Order Preliminarily Approving Settlement and Providing for Notice, which preliminarily approved the Settlement and approved the form and manner of notice to the Class of the Settlement.

WHEREAS, said notice has been made to the Class and the Settlement Fairness Hearing has been held pursuant to the terms of the Order Preliminarily Approving Settlement and Providing for Notice.

NOW, THEREFORE, based upon the Stipulation and all of the filings, records, and proceedings herein, and it appearing to the Court upon examination that the Settlement set forth in the Stipulation is fair, reasonable, and adequate, and upon the Settlement Fairness Hearing having been held after notice to the Class of the Settlement to determine if the Settlement is fair, reasonable, and adequate and whether the Judgment should be entered in this Action, **IT IS ORDERED, ADJUDGED, AND DECREED THAT:**

1. The provisions of the Stipulation, including definitions of the terms used therein, are hereby incorporated by reference as though fully set forth herein.

2. This Court has jurisdiction of the subject matter of this Action and over all of the Settling Parties and all members of the Class, including all Class Members who did not timely file a request for exclusion from the Settlement Class by the relevant deadline pursuant to the Preliminary Approval Order.

3. The form, content, and method of dissemination of notice given to the Class was adequate and reasonable, met the requirements of due process, Rule 23 of the Federal Rules of Civil Procedure, and 15 U.S.C. §78u-4(a)(7) (added to the Exchange Act by the Private Securities Litigation Reform Act of 1995), and constituted the best notice practicable under the

circumstances, including individual notice to all Class Members who could be identified through reasonable effort.

4. Notice, as given, complied with the requirements of federal law, satisfied the requirements of due process, and constituted due and sufficient notice of the matters set forth herein.

5. The Settlement set forth in the Stipulation is fair, reasonable, and adequate.

(a) The Settlement was negotiated at arm's length by Lead Plaintiffs and Lead Counsel on behalf of the Class and by the Trustee, all of whom were represented by highly experienced and skilled counsel. The case settled only after: (1) a court ordered settlement conference with Chief Magistrate Dustin Pead, a highly experienced mediator who was thoroughly familiar with this Action; (2) follow-up negotiations facilitated by the mediator; (3) the exchange of detailed mediation statements, which highlighted the factual and legal issues in dispute; (4) Lead Counsel's extensive investigation, which included, among other things, an extensive review of publicly available information about the Settling Defendants; (5) the drafting and filing of detailed initial complaint and amended complaint; (6) full briefing on the Debtor Defendant's motion to dismiss the Action; and (7) the filing of the Class Proof of claim in the United States Bankruptcy Court for the District of Utah (the "Bankruptcy Court"). Accordingly, both Lead Plaintiffs and the Trustee were well-positioned to evaluate the settlement value of this Action. The Stipulation has been entered into in good faith and is not collusive.

(b) If the Settlement had not been achieved, both Lead Plaintiffs and the Trustee faced the expense, risk, and uncertainty of extended litigation, including a hearing and decision on the class claim motion, the motion to dismiss, class certification, summary judgment, trial, post-trial motions, and appeals. The Court takes no position on the merits of either Lead Plaintiffs' or the Trustee's potential arguments but notes these arguments as further evidence in support of the reasonableness of the Settlement.

6. Lead Plaintiffs and Lead Counsel have fairly and adequately represented the interests of the Class Members in connection with the Settlement.

7. Lead Plaintiffs, all Class Members, and the Released Defendants are hereby bound by the terms of the Settlement set forth in the Stipulation.

8. The Settlement shall be consummated in accordance with the terms and provisions of the Stipulation. The Settling Parties are to bear their own costs, except as otherwise provided in the Stipulation.

9. The Court hereby grants class certification for settlement purposes and appoints Mark Combs, Vlad Iacob, and Benjamin Northey as Class Representatives and Scott+Scott Attorneys at Law LLP as Settlement Class Counsel.

10. The Court hereby reaffirms its determination in the Preliminary Approval Order that the Settlement Class shall be composed of all means all persons and entities that purchased SafeMoon (SFM) tokens from March 8, 2021 through November 1, 2023.

11. Upon the Class Action Effective Date, except with respect to individual claims by persons who have validly and timely requested exclusion from the Class as listed in **Exhibit A** hereto, all of the claims asserted in the First Amended ("Complaint") (ECF No. 133) and in the

Action against the Debtor Defendant are hereby dismissed with prejudice, without costs as to the Settling Parties, except as awarded under the Settlement Fund and approved by the Court.

12. Upon the Class Action Effective Date, all Released Parties are released in accordance with the Stipulation, and as defined in the Stipulation, each of the Releasing Parties are hereby deemed to have fully, finally, and forever waived, released, relinquished, and discharged each and every one of the Released Claims,[2] including Unknown Claims.[3]

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[2] "Released Claims" means Releasing Lead Plaintiffs' Claims and the Released Defendants' Claims. "Releasing Lead Plaintiffs' Claims" means any and all individual or class claims, demands, losses, rights, and causes of action of any nature whatsoever, known or Unknown Claims, whether arising under federal, state, common, or foreign law by the Releasing Lead Plaintiff Parties against the Released Defendants, that have been or could have been asserted in the Action, or could in the future be asserted in any forum, domestic or foreign, or which arise out of, are based upon, or relate to in any way to (i) the purchase, sale, acquisition, or disposition of the SafeMoon or SFM Tokens and (ii) any of the allegations, acts, transactions, facts, events, matters, occurrences, representations, or omissions involved, set forth, alleged, or referred to, in the Action. For the avoidance of doubt, Releasing Lead Plaintiffs' Claims do not include: (i) claims relating to the enforcement of the Settlement; (ii) any claims of Persons who submit a request for exclusion that is accepted by the Court; and (iii) any Releasing Lead Plaintiffs' Claims against third parties, including those who acted in concert with or aided and abetted any wrongdoing. "Released Defendants' Claims" means all claims and causes of action of any nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common, or foreign law, that Settling Defendants could have asserted against the Releasing Lead Plaintiff Parties that arise out of, or relate in any way to, the institution, prosecution, or settlement of the claims in the Action, except for claims relating to the enforcement of the Settlement or any claims against any Person who submits a request for exclusion that is accepted by the Court.

[3] "Unknown Claims" means any Releasing Lead Plaintiffs' Claims which Lead Plaintiffs, any other Settlement Class Member, or any other Releasing Lead Plaintiff Party does not know or suspect to exist in their favor at the time of the release of such claims, which, if known by them, might have affected their decision(s) with respect to this Settlement, including, but not limited to, whether or not to object to this Settlement or seek exclusion from the Class; and any Released Defendants' Claims which any Settling Defendant or any other Released Defendant Party does not know or suspect to exist in their favor at the time of the release of such claims, which, if known by them might have affected their decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Class Action Effective Date of the Settlement, Lead Plaintiffs and the Trustee shall expressly waive, and each of the other Settlement Class Members and each of the other Released Parties shall be deemed to have waived, and by operation of the Judgment, shall have expressly waived, any and all provisions, rights, and

13. Upon the Class Action Effective Date, each of the Releasing Parties are hereby forever barred and enjoined from filing, commencing, instituting, prosecuting, or maintaining, either directly, indirectly, representatively, or in any other capacity, in this Court, or in any other court of law or equity, administrative forum, or arbitration tribunal, any claim, counterclaim, cross-claim, third-party claim, or other actions based upon, relating to, or arising out of, directly or indirectly, any of the Released Claims.

14. Upon the Class Action Effective Date, pursuant to 15 U.S.C. §78u-4(f)(7)(A), this Order provides that every Person is permanently and forever barred and enjoined from filing, commencing, instituting, prosecuting, or maintaining, either directly, indirectly, representatively,

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benefits conferred by any law of any state or territory of the United States, 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.

The Releasing Lead Plaintiff Parties and Released Defendant Parties acknowledge that they may hereafter discover facts in addition to, or different from, those which he, she, it, or their counsel now knows or believes to be true with respect to the subject matter of the Releasing Lead Plaintiffs' Claims or Released Defendants' Claims, but the Settling Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish, and release, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Class Action Effective Date, and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, heretofore have existed, or may hereafter exist, 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, legal theories, or authorities.

Lead Plaintiffs and the Trustee acknowledge, and each of the other Settlement Class Members and each of the other Released Parties shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

or in any other capacity, in this Court, or in any other federal, foreign, state, or local court, forum or tribunal, any claim, counterclaim, cross-claim, third-party claim, or other actions based upon, relating to, or arising out of the Releasing Lead Plaintiffs' Claims and/or the transactions and occurrences referred to in the Complaint, or in any other pleadings filed in this Action (including, without limitation, any claim or action seeking indemnification and/or contribution, however denominated), whether such claims are legal or equitable, known or unknown, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, or are asserted under federal, foreign, state, local, or common law, including, without limitation, a specific bar against all future claims for contribution arising out of the Action against the Released Defendant.

15. Upon the Class Action Effective Date, each of the Trustee and the Trustee's Counsel and Advisors shall be deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released all Released Defendants' Claims.

16. All Class Members who have not made their objections to the Settlement in the manner provided in the Notice are deemed to have waived any objections by appeal, collateral attack, or otherwise.

17. All Class Members who have failed to validly and timely submit Requests for Exclusion (requests to opt out) from the Class are bound by the terms and conditions of the Stipulation and this Judgment.

18. The Requests for Exclusion, if any, by the persons or entities in **Exhibit A** to this Judgment are accepted by the Court.

19. Neither this Judgment, the Preliminary Approval Order, the Stipulation (including the exhibits thereto), nor any of the negotiations, documents, or proceedings connected with them shall be argued to be or offered or received:

(a) Against any of the Released Defendant Parties or their legal counsel as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Released Defendant Parties with respect to the truth of any fact alleged in the Complaint or the Action, or the validity of any claim that has been, or could have been, asserted against any of the Released Defendants in the Complaint or the Action, or the deficiency of any defense that has been, or could have been, asserted in the Action, or of any wrongdoing or liability by any of the Released Defendants, or any liability, fault, misrepresentation, or omission with respect to any statement or written document approved or made by any of the Released Defendants.

(b) Against the Lead Plaintiffs or any Settlement Class Member or Lead Counsel as evidence of, or construed as evidence of, any infirmity of the claims alleged by the Lead Plaintiffs in the Complaint or the Action or of any lack of merit to the claims or the Complaint or the Action or of any bad faith, dilatory motive, or inadequate prosecution of the claims or the Complaint or the Action.

(c) Against any of the Released Defendants, the Lead Plaintiffs, or any Settlement Class Member, or their respective legal counsel, as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Released Defendants, the Lead Plaintiffs, or any Settlement Class Member, or their respective legal counsel, with respect to any liability, negligence, fault, or wrongdoing as against any of the Released Defendants, the Lead Plaintiffs, or any Settlement Class Member, or their respective legal counsel, in any other civil, criminal, or administrative action or proceeding, other than such actions or proceedings as may be necessary to effectuate the provisions of the Stipulation.

(d) Against any of the Released Defendants or their legal counsel as evidence of, or construed as evidence of, any presumption, concession, or admission by any of them that any of the Lead Plaintiffs' claims have merit, or that any defenses asserted by the Released Defendants are without merit, or that the Settlement Amount represents the amount which could or would have been received after any trial of the Action against them.

(e) Against the Lead Plaintiffs or any Settlement Class Member, or Lead Counsel, as evidence of, or construed as evidence of, any presumption, concession, or admission by any of the Lead Plaintiffs or any Settlement Class Member that any of their claims are without merit, or that any defenses asserted by the Released Defendants have any merit, or that damages recoverable in the Action would not have exceeded the Settlement Fund.

20. Neither the Stipulation nor the Settlement, 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, a presumption, concession, or admission of, or evidence of, the validity of any Releasing Lead Plaintiffs' Claims or of any wrongdoing or liability of the Released Defendants or the Released Defendant Parties; or (b) is or may be deemed to be, or may be used as, a presumption, concession, or admission of, or evidence of, any fault or omission of any of the Released Defendants or the Released Defendant Parties in any civil, criminal, or administrative

proceeding in any court, administrative agency, or other tribunal; or (c) is or may be deemed to be an admission or evidence that any claims asserted by the Lead Plaintiffs, any Class Member, or Lead Counsel were not valid in any civil, criminal, or administrative proceeding.

21. The Parties and other Released Parties, for the avoidance of doubt, may file or refer to this Judgment, the Stipulation, Preliminary Approval Order, and/or any Claim Form: (a) to effectuate the liability protections and/or releases granted hereunder or thereunder, including, without limitation, 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; (b) to obtain a judgment reduction under applicable law; (c) to enforce any applicable insurance policies and any agreements relating thereto; or (d) to enforce the terms of the Stipulation and/or this Judgment.

22. In the event that the Final Order Date or Class Action Effective Date does not occur in accordance with the terms and conditions set forth in the Stipulation, then this Order and Judgment shall be vacated, rendered null and void, and be of no further force and effect, except as otherwise provided by the Stipulation, and this Judgment shall be without prejudice to the rights of the Parties, and the Parties shall be deemed to have reverted *nunc pro tunc* to their respective positions as of September 10, 2024, and the Parties shall proceed in all respects as if the Stipulation had not been executed and the related orders had not been entered, without prejudice in any way from the negotiation, fact, or terms of the Settlement, and preserving all of their respective claims and defenses in the Action, and shall revert to their respective positions in the Action. In such circumstances, the Parties shall thereafter work together to arrive at a mutually agreeable schedule for resuming litigation of the Action.

23. Exclusive jurisdiction is hereby retained over the Parties for all matters relating to the Action, including the administration, interpretation, effectuation, or enforcement of the Stipulation, the Settlement contained therein, and this Judgment, except that the Parties shall proceed in the Bankruptcy Court on the matters set forth pursuant to the terms of the Stipulation including, without limitation, the administration of Proofs of Claim.

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

25. The Trustee and/or the Trustee's Counsel has provided notification to all appropriate federal and state officials regarding the Settlement as required by 28 U.S.C. §1715.

26. The Court finds that during the course of the Action, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

27. The Court's orders entered during this Action relating to the confidentiality of information shall survive this Settlement.

28. A separate order shall be entered regarding Lead Counsel's application for attorneys' fees and payment of expenses as allowed by the Court. Such order shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment. Such order shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Class Action Effective Date.

29. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (i) implementation of the Settlement; (ii) any applications for attorneys' fees, costs, interest, and payment of expenses in the Action; (iii) all Parties for the

purpose of construing, enforcing, and administering the Settlement and this Judgment; and (iv) other matters related or ancillary to the foregoing.

30. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is respectfully directed.

IT IS SO ORDERED.

DATED: ______________________

____
DAVID BARLOW, U.S.D.J.
DISTRICT OF UTAH

EXHIBIT 2

Prepared and submitted by:
Ellen E. Ostrow (#14743)
eostrow@foley.com
FOLEY & LARDNER LLP
95 State Street, Suite 2500
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

In re: **SAFEMOON US LLC,** Debtor.	Bankruptcy Case No. 23-25749 Chapter 7 Honorable Peggy Hunt

ORDER ON MOTION OF CHAPTER 7 TRUSTEE, PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 9019 AND 7023, TO: (I) APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE TRUSTEE AND LEAD PLAINTIFFS IN SECURITIES CLASS ACTION, AND (II) GRANT RELATED RELIEF

Upon the motion (the "***Motion***")[1] of Ellen E. Ostrow (the "***Trustee***"), the duly-appointed trustee in the above-entitled Chapter 7 bankruptcy case (the "***Bankruptcy Case***") filed by SafeMoon US LLC (the "***Debtor***"), by and through her undersigned counsel, for entry of an order, pursuant to 11 U.S.C. §§ 105 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "***Bankruptcy Code***") and Rules 7023 and 9019 of the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***"), requesting approval of a settlement with the Lead Plaintiffs in a securities class action case where the Lead Plaintiffs allege a variety of violations of federal securities laws, making false statements, and engaging in a scheme to defraud investors in connection with the sale of SFM Tokens by the Debtor and its founders, without further approval of the Court; the Court having jurisdiction to consider the Motion and the relief requested herein pursuant to 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested herein being a core proceeding pursuant to 28 U.S.C. § 157(b); venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; due and sufficient notice of the Motion having been given under the particular circumstances and it appearing that no other or further notice need be given; the Court having conducted a hearing on the Motion, where the Court heard argument and received evidence; it appearing that the relief requested by the Motion is in the best interests of the Debtor, its estate, creditors, and other parties-in-interest; and after due deliberation thereon and good and sufficient cause appearing therefor,

THE COURT HEREBY FINDS AND CONCLUDES THAT:[2]

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[1] Capitalized terms not otherwise herein defined have the meaning ascribed to them in the Motion.

[2] The findings and conclusions set forth herein constitute the court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

A. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 1334. This proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this district and in this court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief requested herein are § 105(a) of title 11 of the United States Code (the "***Bankruptcy Code***") and rules 7023 and 9019 of the federal rules of bankruptcy procedure (the "***Bankruptcy Rules***") and adequate notice of the relief requested and granted in this order has been provided in light of the circumstances and the nature of the relief requested herein, and no other notice need be provided.

C. Notice of the Motion was good and sufficient and a reasonable opportunity to object or be heard regarding the requested relief has been afforded to all interested persons and entities, including, without limitation, (1) the United States Trustee, (2) counsel who filed the Class Action Complaint, (3) all parties that have requested notice in this case pursuant to Bankruptcy Rule 2002, and (4) all known creditors of the Debtor.

D. The Trustee has articulated good and sufficient business judgment and reasons and a good faith basis for this court to grant the relief requested in the Motion.

E. The entry of this Order is in the best interests of the Debtor, its estate, creditors, and other parties in interest.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. The Trustee is hereby authorized to fully assume, perform under, consummate and implement the terms of this Order and the Settlement Agreement approved herein and attached as Exhibit 1 to this Order, together with any and all additional instruments and documents that may be reasonably necessary or desirable to implement and effectuate the terms of this Order.

3. Notwithstanding Bankruptcy Rules 6004 and 7062, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing.

--- END OF ORDER ---

DESIGNATION OF PARTIES TO RECEIVE NOTICE OF COURT ORDER

Service of the foregoing **ORDER GRANTING MOTION OF CHAPTER 7 TRUSTEE, PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 9019 AND 7023, TO: (I) APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE TRUSTEE AND LEAD PLAINTIFFS IN SECURITIES CLASS ACTION, AND (II) GRANT RELATED RELIEF** hall be served on the parties in the manner designated below:

By Electronic Service: I certify that the parties of record in this case, as identified below, are registered CM/ECF users.

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By U.S. Mail: In addition to the parties of record receiving notice through the CM/ECF system, the following parties should be served notice pursuant to Fed. R. P. 5(b).

- All parties on the Court's official matrix.

/s/ *Elisha Teed*

EXHIBIT 3

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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

In re: **SAFEMOON US LLC,** Debtor.	Bankruptcy Case No. 23-25749 Chapter 7 Honorable Peggy Hunt

REPLY OF LEAD PLAINTIFFS TO OBJECTION BY BRADEN JOHN KARONY, RONIN REAL ESTATE HOLDINGS, LC., RONIN ENERGY GROUP, LC AND RONIN CRYPTO GROUP, LC

TABLE OF CONTENTS

INTRODUCTION 1

I. FACTUAL BACKGROUND 3

II. ARGUMENT 10

A. Bankruptcy Rule 7023 Permits a Class Proof of Claim in These Circumstances 10

B. The Proposed Class Easily Meets the Rule 23 Requirements 12

C. The Securities Claims Have Substantial Merit 15

1. SafeMoon Tokens are Unregistered Securities 15

2. The Transactions Were Domestic 16

3. The Debtor Defendant was Directly Involved and Cannot Disclaim Responsibility 17

4. Secondary Market Purchases Do Not Shield the Debtor Defendant from Liability 19

D. The *Kopexa* Factors Strongly Support Approval of the Settlement 19

E. The Objectors' Attacks on the Trustee are Without Merit 22

CONCLUSION 23

TABLE OF AUTHORITIES

Page(s)

Cases

In re Adam Aircraft Indus., Inc.,
2009 WL 2100929 (Bankr. D. Colo. Mar. 20, 2009)....................10

In re Amdura Corp.,
170 B.R. 445 (D. Colo. 1994)....................10

Bill Merewhuader et al v. SafeMoon LLC et al,
No. 2:22-cv-01108, ECF No. 1 (C.D. Cal. Feb. 17, 2022)....................4, 5

In re Charter Co.,
876 F.2d 866 (11th Cir. 1989)....................10

Combs et al v. SafeMoon LLC et al,
No. 2:22-cv-00642, ECF No. 133 (D. Utah Mar. 17, 2023)....................5, 18

Combs v. SafeMoon LLC,
2024 WL 1347409 (D. Utah Mar. 29, 2024)....................6, 15, 17, 19

In re Culmtech, Ltd.,
118 B.R. 237 (Bankr. M.D. Pa. 1990)....................22

Gelt Trading Ltd. v. Co-Diagnostics, Inc.,
2023 WL 5334623 (D. Utah Aug. 18, 2023)....................12, 13, 15

In re Empire Solar Group, LLC,
No. 2:21-bk-23636, ECF Nos. 687 (Bankr. D. Utah Jul. 25, 2024), 713 (Bankr. D. Utah Nov. 7, 2024)....................11

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105 B.R. 971 (D. Colo. 1989)....................22

In re Kopexa Realty Venture Co.,
213 B.R. 1020 (10th Cir. 1997)....................19, 20, 22

In re Martin,
91 F.3d 389 (3d Cir. 1996)....................22

McEwen v. Digitran Sys., Inc.,
160 F.R.D. 631 (D. Utah 1994)....................13

Ret. Sys. of Miss. v. Merrill Lynch & Co., Inc.,
277 F.R.D. 97 (S.D.N.Y. 2011) 15

In re S. Med. Arts Cos.,
343 B.R. 250 (10th Cir. 2006) 22

Sheftelman v. Standard Metals Corp.,
839 F.2d 1383 (10th Cir. 1987) 10, 11

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962 F.2d 988 (10th Cir. 1992) 10

USA v. Karony,
1:23-cr-00433, ECF No. 199-2 (E.D.N.Y. May 22, 2025) 16

USA v. Karony et al,
No. 1:23-cr-00433, ECF No. 199-6 (E.D.N.Y. May 22, 2025) 1, 5, 7

Yi Xiang v. Inovalon Holdings, Inc.,
327 F.R.D. 510 (S.D.N.Y. 2018) 14

Statutes

11 U.S.C. §362 6

15 U.S.C. §78u-4 ....4, 8, 12

(a)(3)(B)(iii)(I)(cc) 12

Securities Exchange Act of 1934 .... *passim*

§12(a)(1) 6, 15, 19

§15 6

WARN Act 11

Other Authorities

Fed. R. Bankr. P. 7023 and 9014(c) 6, 10, 11

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Fed. R. Bankr. P. 9019 ....1, 20

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(a)(2) 13

(b)(3) 2, 14

FINANCIAL POST, *SafeMoon, a Community-Driven, Fair Launched DeFi Token, Listed on BitMart Exchange* (Apr. 6, 2021), https://financialpost.com/globe-newswire/safemoon-a-community-driven-fair-launched-defi-token-listed-on-bitmart-exchange [https://perma.cc/JG85-UTX4]. 17

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Lead Plaintiffs Mark Combs, Vlad Iacob, and Benjamin Northey (the "Lead Plaintiffs"), through their undersigned Lead Counsel, hereby submit this Reply to the Objection to Chapter 7 Trustee's Motion to Approve Rule 9019 Settlement (the "Objection"), filed by Braden John Karony, Ronin Real Estate Holdings, LC, Ronin Energy Group, LC, and Ronin Crypto Group, LC (the "Objector(s)") (collectively, the "Parties").

INTRODUCTION

The Chapter 7 Trustee's (the "Trustee") settlement with Lead Plaintiffs (the "Settlement") is fair, reasonable, and in the best interests of the estate. The Objectors' rhetoric that the class's claim has "zero" value and that the Trustee "failed" her duties is baseless. In truth, the Lead Plaintiffs' claims rest on well-pleaded and corroborated allegations of serious securities law violations by the Debtor SafeMoon US LLC ("SafeMoon" or the "Debtor Defendant") entity and its former Chief Executive Officer ("CEO") and now Objector, Karony, resulting in significant harm to a large class of SafeMoon token ("Token" or "SFM") purchasers. These claims present a substantial litigation risk to the estate and fully justify the proposed Settlement.

It is important to note that on May 21, 2025, Karony was convicted of securities fraud conspiracy, wire fraud conspiracy, and money laundering conspiracy. *See* Verdict Form, *USA v. Karony et al*, No. 1:23-cr-00433, ECF No. 199-6 (E.D.N.Y. May 22, 2025) (the "Criminal Case"), attached as Exhibit 1 to the Declaration of John T. Jasnoch ("Jasnoch Decl."). In closing arguments, prosecutors highlighted close to two dozen material lies, contrasting blockchain forensics and private messages with starkly contradictory public statements.[1] With sentencing set for January 16, 2026, the Objection represents a final attempt to prevent meaningful relief to injured investors and should be rejected.

Beyond the bad faith intent, the Objection's attacks fail on their merits. The Objection rests on the flawed premise that a class proof of claim cannot be certified or allowed in this bankruptcy. Objectors ignore that bankruptcy procedure expressly permits class claims in appropriate circumstances, and those circumstances are present here. The Court-appointed Lead Plaintiffs—the SafeMoon investors who were authorized by the U.S. District Court to represent the class in pre-bankruptcy litigation—have timely filed a class proof of claim alongside a motion for class certification, which received no objection from any SafeMoon Token purchaser or class member, except for by Karony.

The relevant Rule 23 criteria are easily satisfied: (i) there are likely thousands of SafeMoon Token holders (far too many for joinder); (ii) the claims all share common questions (chiefly, whether SafeMoon sold unregistered securities); (iii) Lead Plaintiffs' claims arise from the same course of conduct as the class's claims; and (iv) Lead Plaintiffs, with their experienced counsel, will adequately protect the Class's interests. Moreover, the requirements of Rule 23(b)(3)—predominance and superiority—are met because the central liability issue is common to all Class members and a class claim is the fairest, most efficient means to resolve these many small claims. For these reasons, Objectors' contentions lack merit, and the Settlement should be approved to

[1] PROTOS, *SafeMoon CEO branded 'remorseless liar' in explosive closing argument* (May 20, 2025), https://protos.com/safemoon-ceo-branded-remorseless-liar-in-explosive-closing-argument/.

facilitate a fair and practical recovery for SafeMoon investors. For these reasons, the Lead Plaintiffs submit the Trustee exercised sound business judgment in approving the Settlement, and the Objection offers no valid basis to second-guess that decision.

I. FACTUAL BACKGROUND

The Debtor Defendant, SafeMoon, was a cryptocurrency and blockchain company based in Pleasant Grove, Utah that was created in March 2021. Concurrent with its inception, the Debtor Defendant created and sold a SafeMoon Token that trades on the BNB Smart Chain, Polygon, and Ethereum blockchains. During the SafeMoon Token's launch and ensuing promotional campaign, SafeMoon—led by its CEO Karony—touted the investment potential of SFM to the public. The Company released a white paper and made numerous public statements describing how SafeMoon's unique features (including a 10% transaction fee with token "reflections" to holders and a token "burn" to reduce supply) would create a skyrocketing token value. SafeMoon also repeatedly assured investors that a portion of the 10% fee was locked away in a liquidity pool for the project's benefit, implying that those funds could not be accessed or misused by insiders. Fueled by aggressive online marketing and endorsements from celebrity promoters, SafeMoon's Token price surged, and everyday investors poured millions of dollars into SFM.

Unbeknownst to these investors, however, SafeMoon's insiders were orchestrating what amounted to a classic "pump-and-dump" scheme behind the scenes. As later came to light, Karony and others treated the influx of public investment as "exit liquidity"—they hyped SafeMoon to drive up trading volumes and token price, all while planning to unload their own holdings at those inflated prices. In addition, despite public representations that the liquidity pool was locked and safeguarded, Karony had secretly ensured that those funds were not locked at all. In fact, the

SafeMoon platform's code was configured to allow insiders to siphon liquidity at will, and Karony proceeded to divert millions of dollars from the liquidity pool into his own personal wallets via a covert rerouting of transaction fees. Several SafeMoon officers eventually blew the whistle on these practices, admitting that from the project's inception the developers intended to "rug pull" investors (i.e., induce investment and then abandon the project after extracting value). By early 2022, as bits of the truth emerged through insider revelations and investigative reports, the price of SafeMoon Tokens plummeted and the scheme collapsed—leaving investors with tokens worth a fraction of what they paid.

The securities litigation (the "Securities Litigation") was filed in the Central District of California (the "California District Court") on February 17, 2022. *Bill Merewhuader et al v. SafeMoon LLC et al*, No. 2:22-cv-01108, ECF No. 1 (C.D. Cal. Feb. 17, 2022). On May 9, 2022, Lead Plaintiffs and Lead Counsel moved under the Private Securities Litigation Reform Act ("PSLRA") to be appointed lead plaintiffs and lead counsel, and each Lead Plaintiff submitted a signed certification identifying their transactions in SafeMoon Tokens, and attesting to their willingness to represent the proposed class. By order dated June 7, 2022, the California District Court consolidated two related SafeMoon class actions determined (after the 60-day PSLRA notice period for moving for appointment as the class representative had expired) that Lead Plaintiffs were the "most adequate plaintiffs" and appointed them as lead plaintiffs in the consolidated Securities Litigation. *See id.* at ECF No. 52. Pursuant to the lead plaintiff order, the California District Court: (i) granted Lead Plaintiffs the authority to "represent the [c]lass" in the Securities Litigation and any subsequent "related actions"; and (ii) appointed Scott+Scott Attorneys at Law LLP ("Scott+Scott" or "Lead Counsel") as lead counsel in the Securities Litigation, with the authority to "speak for all plaintiffs and Class members in all matters regarding the litigation, including, but not limited to, pre-trial proceedings, motion practice, trial and settlement." *Id.*

On October 5, 2022, the Securities Litigation was transferred to the District of Utah and was assigned to the Honorable David Barlow. *Id.* at ECF No. 76. In March of 2023, Lead Plaintiffs, the Debtor Defendant, and the other SafeMoon parties held a mediation with Robert A. Meyer, Esq. of JAMS. The mediation was preceded by the submission of detailed mediation briefs outlining the parties' views on the Settlement and the merits of the case. Although the mediating parties participated in the March 2023 mediation in good faith, the case did not settle, and active litigation continued. On March 17, 2023, the operative Complaint was filed in the District of Utah (the "Utah District Court"), the First Amended Complaint (the "Complaint*"). Combs et al v. SafeMoon LLC et al*, No. 2:22-cv-00642, ECF No. 133 (D. Utah Mar. 17, 2023). In May 2023, the defendants filed four separate motions to dismiss. *See id.* at ECF Nos. 149-150, 152, 156. In July 2023, Lead Plaintiffs filed their opposition briefs. *Id.* at ECF No. 165-168.

Thereafter, on November 1, 2023, an indictment was unsealed in the Eastern District of New York charging various individuals with fraud and conspiracy, including the Debtor Defendant's former CEO and now Objector, Karony. *See USA v. Karony et al*, No. 1:23-cr-00433 (E.D.N.Y.). The indictment closely tracked the allegations asserted by Lead Plaintiffs in their action, namely that defendants had committed securities fraud in connection with the SafeMoon entities and sale of SafeMoon Tokens. Also on November 1, 2023, the Securities and Exchange Commission ("SEC") filed a civil complaint against the Debtor Defendant and related persons and entities which also closely tracked the Lead Plaintiffs' allegations. *See S.E.C. v. SafeMoon LLC et al*, No. 23-cv-08138, ECF No. 1 (E.D.N.Y.).

On December 14, 2023, the Debtor Defendant filed its Chapter 7 proceeding. *See* ECF No. 1. Pursuant to the automatic stay under 11 U.S.C. §362, this action (the "Action") was stayed as to the Debtor Defendant. The Office of the U.S. Trustee appointed the Trustee as the Chapter 7 trustee for the Debtor Defendant's estate. The Trustee is a fiduciary for the creditors of the Debtor Defendant and has no relationship with the Debtor Defendant or its principals.

The single-minded focus of Lead Plaintiffs and Lead Counsel since this bankruptcy was filed has been to ensure that the class member victims of this securities fraud receive as much compensation as possible as quickly as possible.

On March 29, 2024, the Utah District Court issued its omnibus order on the motions to dismiss in the Securities Litigation. *See Combs v. SafeMoon LLC*, 2024 WL 1347409 (D. Utah Mar. 29, 2024). The court dismissed a number of claims without prejudice but found that Lead Plaintiffs had adequately stated claims for violation of Section 12(a)(1) of the Securities Exchange Act of 1934 (the "Exchange Act") against the non-debtor SafeMoon entity, as well as against individual defendants Karony and Smith. Even though the case was stayed as to the Debtor Defendant, the Utah District Court's analysis of the SafeMoon entities' liability would apply in equal force to the Debtor Defendant. The Utah District Court also found that Lead Plaintiffs have adequately stated a control person claim pursuant to Section 15 of the Exchange Act against Karony.

On June 11, 2024, Lead Plaintiffs filed a Motion for Order Certifying the Class for Purposes of the Class Claim Pursuant to Fed. R. Civ. P. 23 and Fed. R. Bankr. P. 7023 and 9014(c) (the "Class Claim Motion") asking the bankruptcy court (the "Bankruptcy Court") to certify a class of SafeMoon investors for the purposes of pursuing a class proof of claim against the Debtor

Defendant. ECF No. 182. Lead Plaintiffs further requested to be appointed as class representatives and lead counsel as class counsel. There were no objections to this motion, except for by Karony and his entities.

Following the filing of the Class Claim Motion, on July 18, 2024, the Bankruptcy Court issued its Order Referring Contested Matter for Mediation (ECF No. 203), and the hearing on Lead Plaintiffs' Class Claim Motion was continued. On August 9, 2024, an order was issued setting the settlement conference for October 9, 2024 and a pre-settlement conference call for October 2, 2024. ECF No. 218.

On October 2, 2024, the Parties held their pre-settlement conference call with the Chief Magistrate of the District Court, the Honorable Judge Dustin B. Pead, where progress was made toward settlement. Judge Pead directed the parties to further meet and confer and rescheduled the settlement conference for October 16, 2024. ECF No. 231. On October 9, 2024, the Lead Plaintiffs held a lengthy meet-and-confer teleconference with the Trustee, the Trustee's counsel, and the Trustee's advisors and additional progress was made toward settlement. On October 16, 2024, the Parties held their settlement conference with Judge Pead. Following arms-length negotiations through Judge Pead, the Parties agreed to a global resolution of the Securities Action and the Class Claim Motion, subject to certain conditions precedent which have now occurred.

On May 21, 2025, the jury in the Criminal Case convicted Karony of securities fraud conspiracy, wire fraud conspiracy, and money laundering conspiracy.

Over the course of litigating the Securities Litigation through to Settlement, Lead Counsel's vigorous prosecution included such numerous tasks as: (i) conducting an extensive factual investigation of the events underlying SafeMoon's rise; (ii) reviewing and analyzing the representations made by SafeMoon and its principals; (iii) reviewing and analyzing industry reports and comprehensive news reports, press releases, interviews, videos, social media posts and other media files concerning SafeMoon; (iv) interviewing numerous injured SafeMoon investors and vetting potential claims available under federal and state law; (v) engaging consultants to analyze cryptocurrency wallet transactions involving SafeMoon Tokens and to trace the flow of tokens from SafeMoon; (vi) preparing and filing the initial complaint filed in this matter; (vii) preparing and filing papers in support of Lead Plaintiffs' PSLRA appointment motion; (viii) engaging in negotiations with defendant's counsel regarding the transfer of the Securities Litigation from the Utah District Court; (ix) filing a detailed consolidated complaint and then a subsequent detailed amended consolidated complaint; (x) engaging in extensive settlement negotiations with defendants' counsel and the original mediator; (xi) defending against defendants' motions to dismiss; (xii) preparing and filing additional briefing requested by the Utah District Court regarding conflict of laws; (xiii) reviewing complaints and filings in regulatory actions and investigations brought concerning SafeMoon; (xiv) appearing in and closely following the proceedings in the Chapter 7 action; (xv) preparing and filing the Class Claim Motion and supporting materials; (xvi) representing Lead Plaintiffs' and the class's interests in connection with the mediation with Judge Pead; and (xvii) documenting the formal stipulation of settlement and presenting it for approval.

The proposed Settlement will result in the creation of an initial cash settlement fund of consisting of an initial payment of at least 12 million dollars ($12,000,000) in cash (the "Settlement Fund"). Depending on the outcome of additional legal proceedings and recovery actions in this Chapter 7, there is a possibility of a subsequent payment into the Settlement Fund. All payments are non-reversionary. In exchange for payment(s) into the Settlement Fund, the Securities Action will be dismissed as to the Debtor Defendant, the Lead Plaintiffs' Class Claim Motion in the Bankruptcy Court will be resolved, and all releasing parties will release their claims.

Further, the plan of allocation (the "Plan of Allocation") developed by the Trustee and its advisors, in consultation with Lead Counsel, allocates the proceeds of the Settlement—net of any Court-approved fees and expenses—in a *pro rata* fashion among the Settlement class (the "Settlement Class"). *See* Ex. A-1 (Notice). The recovery of individual class members under the Plan of Allocation will depend on several variables, including: the aggregate value of the class member's SafeMoon Token purchases, whether SafeMoon Tokens were sold, and if so, when, and how much was sold. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims.

The Notice, attached as Exhibit A-1 to the Stipulation, explains the terms of the Settlement, including that the Net Settlement Fund will be distributed to eligible Class Members who submit valid and timely Proofs of Claim pursuant to the proposed Plan of Allocation (which is also included in the Notice). The Notice also advises Class Members of, among other information: (i) Lead Counsel's application for attorneys' fees and expenses and Lead Plaintiffs' requests for an award for the time and expenses they incurred prosecuting the Action; (ii) the procedures for objecting to the Settlement, the Plan of Allocation, or the request for attorneys' fees and expenses and Lead Plaintiffs' requested award; (iii) the means by which Class Members can exclude themselves from the Settlement; and (iv) the date, time, and location of the Settlement Fairness Hearing.

II. ARGUMENT

A. Bankruptcy Rule 7023 Permits a Class Proof of Claim in These Circumstances

The Objectors' suggestion that Tenth Circuit law flatly prohibits a class proof of claim is wrong. The Tenth Circuit's commentary in *Standard Metals* questioning class claims never became binding precedent because it was vacated on rehearing and ultimately not decided on that issue. *Sheftelman v. Standard Metals Corp.*, 839 F.2d 1383, 1387 (10th Cir. 1987) ("*Standard Metals II*"). Subsequent Tenth Circuit authority in *Unioil* confirms that class procedures may be employed in bankruptcy under the proper procedural safeguards. *See In re Unioil, Inc.*, 962 F.2d 988 (10th Cir. 1992).

In *Unioil*, the Tenth Circuit agreed that although Rule 7023 does not automatically apply to claims administration, a class action may proceed in a claims context when the proponent follows the appropriate procedural steps. What the Tenth Circuit forbids is using a class proof of claim as an end-run around the claims process by an unauthorized agent. Here, Lead Plaintiffs have acted squarely within the rules: they were appointed by the Utah District Court to represent SafeMoon investors' claims against the Debtor Defendant's pre-petition, and they timely filed a proof of claim on behalf of the putative class along with a motion to invoke Rule 7023.

Since *Unioil*, the interpretive case law has clearly permitted the filing of a class proof of claim. *See, e.g., In re Adam Aircraft Indus., Inc.*, 2009 WL 2100929, at *9 (Bankr. D. Colo. Mar. 20, 2009) (analyzing cases within the Tenth Circuit and in other circuits and finding that "there are circumstances under which a class proof of claim is authorized by the [Bankruptcy] Code and [Federal] Rules"); *In re Amdura Corp.*, 170 B.R. 445, 449 (D. Colo. 1994) ("I find *Standard Metals I* does not preclude the filing of a class proof of claim in this case."); *In re Charter Co.*, 876 F.2d

866, 869 (11th Cir. 1989) ("[T]he precedential value of the holding in *Standard Metals* is uncertain . . . .").

In the recent *Empire Solar* bankruptcy, the Honorable Judge Joel T. Marker approved a class-wide settlement under similar circumstances where the class claim proponents followed the proper bankruptcy procedures. In that Chapter 7 case, a group of former employees pursued WARN Act claims and filed a class proof of claim for the class's WARN Act damages and unpaid wage claims. Judge Marker granted the settlement motions, formally appointing the class representatives and class counsel to represent the employee group in the bankruptcy, then certified the class for settlement purposes and approved a class action settlement resolving the WARN claims. The outcome in *Empire Solar* is strong persuasive authority that class claims are permissible in the Tenth Circuit, particularly in a settlement context. *See In re Empire Solar Group, LLC*, No. 2:21-bk-23636, ECF Nos. 687 (Bankr. D. Utah Jul. 25, 2024), 713 (Bankr. D. Utah Nov. 7, 2024), attached as Exhibits 2-3 to the Jasnoch Decl.

Moreover, the absence of a pre-bankruptcy certified class does not bar the class claim. The bankruptcy rules expressly allow this Court to certify a class of creditors now, within the claims administration process, even though no class was certified before the petition. Lead Plaintiffs were appointed in the securities action as representatives of a putative class, and the Debtor Defendant's bankruptcy simply shifted the forum for obtaining class certification against it to this Court. It would undermine both Rule 23 and fundamental fairness to hold that SafeMoon's Chapter 7 filing somehow extinguishes the investors' ability to proceed collectively. By promptly invoking Rule 7023 in tandem with their proof of claim, Lead Plaintiffs properly asked this Court to authorize a class-wide claim process.

In sum, the Court has the authority and discretion to approve this Settlement, and doing so is appropriate to resolve the SafeMoon investors' claims in the Bankruptcy and District Courts in a single, consolidated class claim.

B. The Proposed Class Easily Meets the Rule 23 Requirements

The Objection contends that the SafeMoon investor class fails to satisfy commonality, typicality, and predominance under Federal Rule of Civil Procedure 23. In fact, all Rule 23 criteria are met, and the class can be properly certified, particularly for purposes of settlement.

Lead Plaintiffs also note that their prior appointment as Lead Plaintiffs under the PSLRA also supports their appointment here, given that in order to have been appointed lead plaintiffs the Utah District Court was required to find, *inter alia*, that they "satisfie[d] the requirements of Rule 23." 15 U.S.C. §78u-4(a)(3)(B)(iii)(I)(cc). The Lead Plaintiff order is thus, at the very least, persuasive authority that Lead Plaintiffs are typical and adequate class representatives. *Sacred Heart Hospital of Norristown*, 177 B.R. 16, 22 (Bankr. E.D. Pa. 1995) (holding "[i]f the F.R.Civ.P. 23 or like requirements have been deemed satisfied by a nonbankruptcy forum, it seems likely that the class representatives will be deemed by the bankruptcy court to meet those requirements as well. The issue may even be deemed *res judicata*")*; see also Gelt Trading Ltd. v. Co-Diagnostics, Inc.*, 2023 WL 5334623, at *6 (D. Utah Aug. 18, 2023) ("Ultimately, there is no indication that Plaintiff has any conflict of interest with other class members or that Plaintiff will not prosecute the action vigorously on the class's behalf. This is why the court previously issued an order appointing Gelt as the lead plaintiff.").

Numerosity: The numerosity factor of Fed. R. Civ. P. 23(a)(1) is met because the proposed Settlement Class includes thousands of investors, making joinder impracticable.

Commonality: All class members share numerous common questions of law and fact. Each investor's claim arises from the same core course of conduct by SafeMoon and its insiders, namely, the alleged fraudulent promotion of SafeMoon Tokens and misrepresentations about the token's liquidity and security. Whether SafeMoon Tokens were sold through a fraudulent scheme, whether the tokens qualify as securities, and whether the defendants' public statements were false or misleading are issues common to every class member. *See, e.g., Gelt Trading Ltd.*, 2023 WL 5334623 at *3 ("This case—as is typical of most securities fraud putative class actions—raises common questions of law and fact.") (citation modified). These common questions have the same answers for all investors, satisfying Rule 23(a)(2). The Objectors' attempt to exaggerate minor individual differences does not overcome the overwhelming commonality uniting the class.

Typicality: The Lead Plaintiffs' claims are entirely typical of the class claims. Like all other class members, the Lead Plaintiffs purchased SFM based on the uniform representations and omissions made by SafeMoon's team. Lead Plaintiffs suffered the same type of harm (loss of investment value) caused by the same alleged fraud. There are no unique defenses targeting the Lead Plaintiffs that would make their situation unusual. Their interests are fully aligned with those of the class: all seek redress for the loss in token value due to the alleged misconduct. The Objectors cannot point to any meaningful factual or legal difference that would render the Lead Plaintiffs' claims atypical. The Tenth Circuit has recognized that class certification is appropriate under the typicality standard notwithstanding differences among the situations of individual class members "so long as the claims of the plaintiff and the other class members are based on the same legal and remedial theory." *McEwen v. Digitran Sys., Inc.*, 160 F.R.D. 631, 636 (D. Utah 1994) (quoting *Penn v. San Juan Hospital*, 528 F.2d 1181, 1189 (10th Cir. 1975)).

Predominance: Common issues far outweigh any individual issues in this case, satisfying Rule 23(b)(3)'s predominance requirement. The central questions of whether SafeMoon engaged in a fraudulent scheme and violated securities laws predominate because they can be proven with common evidence regarding SafeMoon's conduct, marketing, and management of the liquidity pool. Any arguable individual questions (such as the precise amount of each investor's damages) are secondary and ministerial in comparison to the broad, class-wide issues. All class members were subject to the same uniform misconduct, and there is no need for individualized adjudication of liability. The Objectors' assertion that individual issues defeat predominance is unsupported; in reality, this case revolves around SafeMoon's actions and misrepresentations, not the peculiarities of any single investor. It is exactly the type of case for which class treatment is intended, and proceeding as a class is far superior to thousands of individual actions or claims.

The Lead Plaintiffs and Lead Counsel have demonstrated their adequacy by vigorously prosecuting this matter and negotiating a substantial settlement for the class; their interests are fully aligned with absent class members. *See, e.g., Yi Xiang v. Inovalon Holdings, Inc.*, 327 F.R.D. 510, 524-26 (S.D.N.Y. 2018) (class representative whose interests were aligned with the class, who had been monitoring the litigation, and who had engaged experienced counsel was adequate in securities action).

With respect to the superiority and efficiency of the class action process, granting of the Settlement is the most efficient means to adjudicate and resolve thousands of identical securities claims through a single class claim, rather than in numerous separate claims that may not only yield inconsistent results, but also has the potential to exhaust substantial estate assets unnecessarily. "In general, securities suits ... easily satisfy the superiority requirement of Rule

23." *Gelt Trading Ltd.*, 2023 WL 5334623, at *9 (quoting *In re Blech Sec. Litig.*, 187 F.R.D. 97, 102 (S.D.N.Y. 1999); *Pub. Emps.' Ret. Sys. of Miss. v. Merrill Lynch & Co., Inc.*, 277 F.R.D. 97, 120-21 (S.D.N.Y. 2011) (collecting cases and affirming that securities class actions easily meet superiority requirement). Finally, as with many class actions, the individual Class members may not have the economic wherewithal to prosecute their individual securities claims or other bankruptcy claims against the Debtor Defendant. Accordingly, the class proof of claim is particularly well-suited for class certification and ultimate resolution of this Chapter 7 proceeding.

In sum, all prerequisites for class certification are met, and the Objectors' Rule 23 arguments provide no basis to deny or doubt the propriety of the class settlement in this bankruptcy context.

C. The Securities Claims Have Substantial Merit

The Objectors next attack the merits of the investors' securities law claims, arguing that they are baseless. Each of these attacks misstates the law or the record in this Chapter 7 or in the District Court. The securities claims asserted by the Lead Plaintiffs are strong and more than sufficient to justify the Settlement.

1. SafeMoon Tokens are Unregistered Securities

The Objectors' claim that SafeMoon Tokens are not securities is simply wrong. As an initial matter, the Utah District Court has already ruled that Lead Plaintiffs adequately alleged that the SafeMoon Tokens are securities under the *Howey* test. *See Combs*, 2024 WL 1347409, at *23 ("Plaintiffs have stated a Section 12(a)(1) claim against Mr. Smith, Mr. Karony, and SafeMoon"). Karony has since been convicted of securities fraud conspiracy related to these tokens, further underscoring that the tokens were treated as securities in that enforcement action. *See* Exhibit 1.

At the end of Karony's criminal trial, jurors were ***expressly charged*** with determining whether the SafeMoon Tokens qualify as a security for the purposes for the federal securities laws. *See* Jury Charge, *USA v. Karony*, 1:23-cr-00433, ECF No. 199-2 at 44, 46 (E.D.N.Y. May 22, 2025), attached as Exhibit 4 to the Jasnoch Decl. ("You must determine if SafeMoon Token qualifies as a security for purposes of the statute" and "If you determine that SafeMoon Token is a security, then you next need to determine if the defendant engaged in a conspiracy to commit securities fraud."). In finding him guilty of securities fraud conspiracy, the jurors found that the government proved beyond a reasonable doubt that the SafeMoon Token was a security.

Moreover, Objectors' attempt to recharacterize the SafeMoon Tokens as "commodities" rather than securities is inconsistent with both Judge Barlow's ruling and the criminal conviction. It would be inconsistent to recognize a criminal conviction for securities fraud while accepting an argument here that the same instruments were not securities for the purposes of this Chapter 7.

2. The Transactions Were Domestic

The Objection next incorrectly contends that the SafeMoon Token transactions were not "domestic" and therefore fall outside the reach of U.S. securities law. The SafeMoon scheme was directed by a Utah-based company (the Debtor Defendant) and its executives operating primarily in the U.S. and targeting U.S. investors. The offers and sales of tokens were made through internet communications and platforms accessible in the U.S., and a significant number of purchasers were in the U.S.

The Lead Plaintiffs all reside in the U.S. and purchased SafeMoon Tokens while in their respective states of residence. Certain transactions were also made using the Bitmart exchange, an exchange in New York.[2] Far from being extraterritorial, these purchases can even be considered "domestic cubed," meaning that the transactions feature a U.S. issuer, a U.S. exchange, and U.S. plaintiffs. The Utah District Court expressly overruled the motion to dismiss on these grounds. *See Combs*, 2024 WL 1347409, at *7 (finding that “[t]he . . . Complaint alleges that each of the named plaintiffs resides in the United States, that many of the SafeMoon entities are headquartered in the United States, and that Mr. Karony resides in the United States and directed the sale of SafeMoon tokens” and that the Complaint “plausibly alleged that liability was incurred or title was transferred within the United States”).

Likewise, in the jury charge for Karony’s criminal trial, jurors were instructed on domestic and extraterritorial transactions. With respect to securities fraud conspiracy, jurors were asked to “determine whether the conspiracy alleged in Count One had a sufficient relationship to the United States.” Jurors were further instructed that a transaction is sufficiently domestic if, as here, “buyers placed their orders, and sent payment, from the United States.” Exhibit 4 at 52. Thus, in finding Karony guilty of Count One, jurors necessarily found that the transactions were domestic. *See* Exhibit 1.

3. The Debtor Defendant was Directly Involved and Cannot Disclaim Responsibility

The Objectors’ attempts to distance the Debtor Defendant (SafeMoon’s U.S. entity) from the wrongdoing, suggesting SafeMoon “US” was not involved in the token transactions, should be rejected. This is another distortion of the record in this Chapter 7. SafeMoon’s U.S. based

[2] FINANCIAL POST, *SafeMoon, a Community-Driven, Fair Launched DeFi Token, Listed on BitMart Exchange* (Apr. 6, 2021), https://financialpost.com/globe-newswire/safemoon-a-community-driven-fair-launched-defi-token-listed-on-bitmart-exchange [https://perma.cc/JG85-UTX4].

leadership and corporate entity were at the very heart of the scheme. The Debtor Defendant was the primary vehicle through which the token ecosystem was managed and promoted. The Debtor Defendant's executives, including Objector Karony, orchestrated the marketing, made the public misrepresentations about the token's liquidity pool, and siphoned investor funds. SafeMoon directly financially benefited from the increase in token value and the influx of investor money.

Indeed, the Lead Plaintiffs respectfully submit that the assets currently held by the Trustee for settlement are largely the ill-gotten proceeds from SafeMoon's pre-bankruptcy fraud, and these assets rightfully belong to the class. On December 22, 2023, the Debtor Defendant made a disclosure of its assets, including millions of dollars' worth of crypto-related assets. *See* ECF No. 16. These crypto assets (including Binance ("BNB") tokens, wrapped Binance ("WBNB") tokens, Tether ("USDT") tokens, and Binance USD ("BUSD") tokens) represent the direct proceeds of the Debtor Defendant's securities law violations as they are the same tokens that Lead Plaintiffs and other class members exchanged for their SafeMoon Tokens. *Compare id*. *with* Lead Plaintiff Schedule A, *Combs et al v. SafeMoon LLC et al*, No. 2:22-cv-00642, ECF No. 42-2 (D. Utah May 22, 2025) (Schedule A of Transactions identifying numerous transactions in which USDT, WBNB, and BUSD tokens were used as consideration in connection with Lead Plaintiffs' SafeMoon Token purchases), attached as Exhibit 5 to the Jasnoch Decl.

Even if certain token purchase and sale mechanics involved exchanges or a separate token liquidity pool, those were all under the control or influence of the Debtor Defendant's management. In short, the Debtor Defendant and its insiders were responsible for the fraudulent scheme and is a proper defendant to be held accountable. The Lead Plaintiffs' claims correctly target the Debtor Defendant for its pre-bankruptcy role in the wrongdoing. Therefore, the

SafeMoon estate is appropriately settling liability for its own pre-bankruptcy misconduct, and the record leaves no genuine dispute regarding SafeMoon's involvement in the underlying transactions.

4. Secondary Market Purchases Do Not Shield the Debtor Defendant from Liability

The Objectors argue that class members bought their tokens on the secondary market from third parties rather than directly from the issuer, insinuating that this undermines the securities claims. Any alleged lack of direct privity between class members and the Debtor Defendant does not insulate SafeMoon from liability for its fraudulent scheme and sale of unregistered securities. The Utah District Court has already denied the motion to dismiss on this basis. *See Combs*, 2024 WL 1347409, at *21 (holding that "posts on social media platforms promoting the sale of particular securities are sufficient for Section 12(a)(1) liability based on a solicitation theory" and finding that the "Complaint alleges that Mr. Karony and SafeMoon made numerous statements on social media that promoted the sale of the SafeMoon token [and that] [t]his is sufficient to state a Section 12(a) claim against SafeMoon and Karony"). Indeed, the vast majority of securities fraud class actions involve secondary market purchases, and the law routinely allows those investors to recover from issuers and executives who perpetrated the fraud.

The securities claims present a credible and substantial case of fraud and securities law violations by the SafeMoon entities and Karony. These claims posed significant litigation exposure to the estate, which is precisely why a settlement is appropriate. Thus, the Court should find that the Lead Plaintiffs' claims have enough merit to justify the Settlement, and overrule the Objectors' various arguments.

D. The *Kopexa* Factors Strongly Support Approval of the Settlement

Even setting aside the Objectors' rhetoric, the controlling standard under Rule 9019 focuses on reasonableness and the overall benefit to the estate. To approve a compromise under Bankruptcy Rule 9019, courts in the Tenth Circuit consider the *Kopexa* factors, which include: (1) the probability of success on the merits of the underlying litigation; (2) the potential difficulties in collecting on any judgment; (3) the complexity, expense, and likely duration of the litigation; and (4) the interests of creditors (giving deference to their reasonable views). *In re Kopexa Realty Venture Co.,* 213 B.R. 1020, 1022 (10th Cir. 1997). Here, every one of these factors either supports or, at minimum, does not undermine the Settlement. In particular:

Probability of Success on the Merits: As noted above, Lead Plaintiffs assert exceptionally strong claims against the Debtor Defendant. Lead Plaintiffs' claim for the sale of unregistered securities has already survived a motion to dismiss in front of Judge Barlow. The strength of Lead Plaintiffs' claims is further evidenced by the criminal indictment, the SEC complaint, and the criminal conviction of Objector Karony.

There is significant uncertainty about the estate's ability to defeat the Lead Plaintiffs' claims if litigation proceeded. The outcome of a complex securities trial is unpredictable, a fact the Objectors implicitly concede by raising so many merit issues. Given the very real risk that a court or jury could find the Debtor Defendant entity liable for substantial damages, the likelihood of the estate decisively prevailing on the merits is far from assured and thus wholly merits settlement here.

Difficulties in Collection: Even if the Lead Plaintiffs prevailed entirely in the litigation, the practical benefit would be nonexistent. If Lead Plaintiffs and the class were to win a large judgment against the estate, there is nothing to be collected beyond the same pool of assets already included in the proposed Settlement. In essence, there is limited upside for stakeholders in rejecting the Settlement, because further litigation would just diminish the Debtor Defendant's assets. The Settlement secures payment for the class of creditors now, without the risk of chasing speculative recoveries later.

Complexity, Expense, and Delay: The proposed class litigation involves complex securities fraud issues, technical questions about cryptocurrencies, liquidity pools, and decentralized exchanges, and possibly the need for extensive expert testimony on market-related matters and damages. Litigation would also impose substantial costs for discovery, expert witnesses, depositions, and document management. Litigating these claims through trial (and likely appeal) would be enormously expensive and time-consuming. The estate's resources would be drained by professional fees, and any recovery for the class members would be significantly delayed. By contrast, the Settlement avoids these burdens, providing a prompt and efficient resolution. This factor weighs overwhelmingly in favor of approval.

Interests of Creditors and Their Views: The vast majority of creditors support the Settlement. There have only been two objections. The Trustee, acting on behalf of the estate, also firmly believes the Settlement is in the best interest of all creditors. Conversely, Karony and his entities represent the equity holder and primary wrongdoer whose interests diametrically oppose the general creditor body. His opposition to the proposed Settlement is not representative of creditor sentiment, and is self-serving. In weighing this factor, the Court should give great weight to the affirmative support from the absent class members who stand to benefit. This factor therefore strongly favors approval.

In sum, the *Kopexa* factors, taken as a whole, weigh heavily in favor of approving the proposed Settlement.

E. The Objectors' Attacks on the Trustee are Without Merit

The Trustee's decision is protected by sound business judgment. Far from being a breach, the decision to settle reflects prudent estate administration. Here, the Trustee has achieved a resolution that provides a recovery to a large group of creditors without draining the estate through litigation. Given that the Settlement was reached under the auspices of a mediator, there is no hint of self-dealing or negligence, instead the Trustee's conduct has been in service of the estate's beneficiaries consistent with her fiduciary obligations.

Throughout the settlement negotiation process and mediation with Judge Pead, the Trustee carefully evaluated the costs, risks, and benefits of litigating the class claims versus settling them. She exercised informed business judgment in determining that a settlement would yield a better outcome for the estate than continued adversarial litigation of the class claim or the Securities Litigation. Courts routinely uphold trustees' settlements that are reached in good faith and in the honest belief that they are in the best interest of the estate. Courts have likewise consistently found that compromises are favored in bankruptcy to minimize litigation and expedite the administration of bankruptcy estates. *See In re S. Med. Arts Cos.*, 343 B.R. 250 (10th Cir. 2006); *In re Kaiser Steel Corp*., 105 B.R. 971, 978 (D. Colo. 1989). Appellate courts have held that a bankruptcy court's approval of a compromise must be affirmed unless the court's determination is either: (1) completely devoid of minimum evidentiary support displaying some hue of credibility; or (2) bears no rational relationship to the supportive evidentiary data. *Id.*; *see also In re Martin*, 91 F.3d 389, 393 (3d Cir. 1996) (quoting 9 Collier on Bankruptcy ¶9019.03[1] (15th ed. 1993)); *In re Culmtech*, *Ltd.*, 118 B.R. 237, 238 (Bankr. M.D. Pa. 1990) ("[C]ompromises are favored in bankruptcy and . . . much of litigation in bankruptcy estates results in settlements.").

The Objectors' position boils down to complaining that the Settlement recognizes the class members' entitlement to share in the estate, thereby leaving nothing for equity. But that outcome is a consequence of SafeMoon's liabilities and the losses caused by the Objectors' fraudulent scheme, not a breach of duty by the Trustee. In this case, the Trustee appropriately prioritized resolving the substantial claims of SafeMoon's investor-creditors, claims that take precedence over any residual interest of the equity-holder, Karony, who was convicted of securities fraud conspiracy in connection with his control of the Debtor Defendant. The Settlement is a proper exercise of Trustee's duties, and it benefits the estate by bringing finality and fairness for the creditors who were harmed by the Debtor Defendant's conduct.

As the equity holder and former CEO of the Debtor Defendant, Karony's interests are directly adverse to those of the estate's creditors. His objection is motivated by a desire to preserve a residual recovery for himself and his related entities, even if doing so reduces or eliminates recovery for the class of investors who hold valid claims. The Trustee's duty is to maximize value for creditors, not to pursue speculative recoveries for insiders once legitimate creditor claims have been resolved. Given these circumstances, the Objection should be overruled and the Settlement approved.

CONCLUSION

For all the reasons outlined above, Lead Plaintiffs respectfully request that the Court overrule the Objection by Braden John Karony, Ronin Real Estate Holdings, LC., Ronin Energy

Group, LP, and Ronin Crypto Group in their entirety and grant the motion to approve the Settlement.

DATED: November 12, 2025

Respectfully submitted,
SCOTT+SCOTT ATTORNEYS AT LAW LLP

<u>/*s*/ John T. Jasnoch</u>
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Mark Combs, Vlad Iacob, and Benjamin Northey

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

In re: **SAFEMOON US LLC,** Debtor.	Bankruptcy Case No. 23-25749 Chapter 7 Honorable Peggy Hunt

DECLARATION OF JOHN T. JASNOCH IN SUPPORT OF REPLY OF LEAD PLAINTIFFS TO OBJECTION BY BRADEN JOHN KARONY, RONIN REAL ESTATE HOLDINGS, LC., RONIN ENERGY GROUP, LC AND RONIN CRYPTO GROUP, LC

I, John T. Jasnoch, pursuant to 28 U.S.C. §1746, hereby declare as follows:

1. I am an attorney duly licensed to practice before all of the courts of the State of California. I am an attorney with the law firm of Scott+Scott Attorneys at Law LLP ("Scott+Scott"). I have been admitted to this action pro hac vice. I have personal knowledge of the matters stated herein and if called upon, I could, and would, competently testify thereto.

2. Approximately 22 months prior to the petition date here, the securities litigation (the "Securities Litigation") was filed in the Central District of California (the "California District Court") on February 17, 2022. Mark Combs, Vlad Iacob, and Benjamin Northey ("Lead Plaintiffs") have been appointed as Lead Plaintiffs and Scott+Scott has been appointed Lead Counsel in the Securities Litigation.

3. On March 8, 2022, Lead Counsel duly issued formal 60-day notice of the underlying litigation pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA"). That notice gave all SafeMoon US LLC ("SafeMoon") investors the opportunity to move the California District Court to be appointed as a lead plaintiff.

4. On May 9, 2022, Lead Plaintiffs and Lead Counsel moved under the PSLRA to be appointed lead plaintiffs and lead counsel, and each Lead Plaintiff submitted a signed certification identifying their transactions in SafeMoon tokens, and attesting to their willingness to represent the Proposed Class.

5. By order dated June 7, 2022, the California District Court consolidated two related SafeMoon actions that had been filed and determined (after the 60-day PSLRA notice period for moving for appointment as the class representative had expired) that Lead Plaintiffs were the "most adequate plaintiffs" and appointed them as lead plaintiffs in the underlying consolidated Securities

Litigation. Pursuant to the Lead Plaintiff Order, the California Federal Court: (a) granted Lead Plaintiffs the authority to "represent the Class" in the Securities Litigation and any subsequent "related actions"; and (b) appointed Scott+Scott as lead counsel in the Securities Litigation, with the authority to "speak for all plaintiffs and Class members in all matters regarding the litigation, including, but not limited to, pre-trial proceedings, motion practice, trial and settlement."

6. Attached hereto are the exhibits indicated are true and correct copies of the following:

- Exhibit 1: Verdict Form, *USA v. Karony et al*, No. 1:23-cr-00433, ECF No. 199-6 (E.D.N.Y. May 22, 2025);
- Exhibit 2: *In re Empire Solar Group, LLC*, No. 2:21-bk-23636, ECF No. 687 (Bankr. D. Utah Jul. 25, 2024);
- Exhibit 3: *In re Empire Solar Group, LLC*, No. 2:21-bk-23636, ECF No. 713 (Bankr. D. Utah Nov. 7, 2024);
- Exhibit 4: Jury Charge, *USA v. Karony*, 1:23-cr-00433, ECF No. 199-2 (E.D.N.Y. May 22, 2025); and
- Exhibit 5: Lead Plaintiff Schedule A, *Combs et al v. SafeMoon LLC et al*, No. 2:22-cv-00642, ECF No. 42-2 (D. Utah May 22, 2025).

I declare under the penalty of perjury under the laws of the United States of America that the foregoing facts are true and correct.

Executed on November 12, 2025 at San Diego, California.

/s/ John T. Jasnoch

Lead Counsel for Lead Plaintiffs

EXHIBIT 1

EXHIBIT NO. 3
IDENTIFICATION/EVIDENCE
DKT.# 23-cr-433
DATE: 5-21-25
PENGAD 800-631-

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
- X

UNITED STATES OF AMERICA

- against -

BRADEN JOHN KARONY,
also known as "John Karony"
and "CPT_HODL_T_MUN,"

Defendant.

- X

VERDICT FORM

Docket No. 23-CR-433 (EK)

COUNT ONE: SECURITIES FRAUD CONSPIRACY

As to Count One, how do you find the defendant, BRADEN JOHN KARONY?

Guilty ✓ Not Guilty _______

COUNT TWO: WIRE FRAUD CONSPIRACY

As to Count Two, how do you find the defendant, BRADEN JOHN KARONY?

Guilty ✓ Not Guilty _______

COUNT THREE: MONEY LAUNDERING CONSPIRACY

As to Count Three, how do you find the defendant, BRADEN JOHN KARONY?

Guilty ✓ Not Guilty _______

Dated: Brooklyn, New York
May, 21st, 2025

Jeremy White
FOREPERSON

PENGAD 800-631-6989
COURT'S
EXHIBIT NO. 5
IDENTIFICATION/EVIDENCE
DKT.# 23-CR-433
DATE: 5-21-25

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

– – – – – – – – – – – – – – – – – – – X

UNITED STATES OF AMERICA

- against -

BRADEN JOHN KARONY,
also known as "John Karony" and
"CPT_HODL_T_MUN,"

Defendant.

– – – – – – – – – – – – – – – – – – – X

SPECIAL VERDICT FORM
FOR FORFEITURE

23-CR-433 (EK)

Count One – Securities Fraud Conspiracy

1. Do you find by a preponderance of the evidence that approximately $1,816,946.49 from the sale of the real property located at 94 West 600 North, Lindon, Utah 84042 constitutes or is derived from proceeds of the securities fraud conspiracy for which you have convicted the defendant BRADEN JOHN KARONY?

✓ Yes ________ No

If you find by a preponderance of the evidence that some amount less than all of the approximately $1,816,946.49 constitutes or is derived from the proceeds of the securities fraud conspiracy for which you have convicted the defendant BRADEN JOHN KARONY, enter the dollar amount or percentage from the sale of the real property located at 94 West 600 North, Lindon, Utah 84042 that you find constitutes or is derived from proceeds of the securities fraud conspiracy.

100%
____

2. Do you find by a preponderance of the evidence that approximately $107,739.00 used to purchase the real property located at 260 Gary Way, North Salt Lake, Davis County, Utah 84054 constitutes or is derived from proceeds of the securities fraud conspiracy for which you have convicted the defendant BRADEN JOHN KARONY?

___✓___ Yes ___________ No

If you find by a preponderance of the evidence that some amount less than all of the approximately $107,739.00 constitutes or is derived from the proceeds of the securities fraud conspiracy for which you have convicted the defendant BRADEN JOHN KARONY, enter the dollar amount or percentage used to purchase the real property located at 260 Gary Way, North Salt Lake, Davis County, Utah 84054 that you find constitutes or is derived from proceeds of the securities fraud conspiracy.

100%
____

<u>Count Two – Wire Fraud Conspiracy</u>

1. Do you find by a preponderance of the evidence that approximately $1,816,946.49 from the sale of the real property located at 94 West 600 North, Lindon, Utah 84042 constitutes or is derived from proceeds of the wire fraud conspiracy for which you have convicted the defendant BRADEN JOHN KARONY?

__________ Yes　　　　__________ No

If you find by a preponderance of the evidence that some amount less than all of the approximately $1,816,946.49 constitutes or is derived from the proceeds of the wire fraud conspiracy for which you have convicted the defendant BRADEN JOHN KARONY, enter the dollar amount or percentage from the sale of the real property located at 94 West 600 North, Lindon, Utah 84042 that you find constitutes or is derived from proceeds of the wire fraud conspiracy.

100 %

2. Do you find by a preponderance of the evidence that approximately $107,739.00 used to purchase the real property located at 260 Gary Way, North Salt Lake, Davis County, Utah 84054 constitutes or is derived from proceeds of the wire fraud conspiracy for which you have convicted the defendant BRADEN JOHN KARONY?

__________ Yes　　　　__________ No

If you find by a preponderance of the evidence that some amount less than all of the approximately $107,739.00 constitutes or is derived from the proceeds of the wire fraud conspiracy for which you have convicted the defendant BRADEN JOHN KARONY, enter the dollar amount or percentage used to purchase the real property located at 260 Gary Way, North Salt Lake, Davis County, Utah 84054 that you find constitutes or is derived from proceeds of the wire fraud conspiracy.

100%
____

Count Three – Money Laundering Conspiracy

1. Do you find by a preponderance of the evidence that approximately $1,816,946.49 from the sale of the real property located at 94 West 600 North, Lindon, Utah 84042 constitutes or is derived from proceeds of the money laundering conspiracy for which you have convicted the defendant BRADEN JOHN KARONY?

✓ Yes ______ No

If you find by a preponderance of the evidence that some amount less than all of the approximately $1,816,946.49 constitutes or is derived from the proceeds of the money laundering conspiracy for which you have convicted the defendant BRADEN JOHN KARONY, enter the dollar amount or percentage from the sale of the real property located at 94 West 600 North, Lindon, Utah 84042 that you find constitutes or is derived from proceeds of the money laundering conspiracy.

100%

2. Do you find by a preponderance of the evidence that approximately $107,739.00 used to purchase the real property located at 260 Gary Way, North Salt Lake, Davis County, Utah 84054 constitutes or is derived from proceeds of the money laundering conspiracy for which you have convicted the defendant BRADEN JOHN KARONY?

✓ Yes ______ No

If you find by a preponderance of the evidence that some amount less than all of the approximately $107,739.00 constitutes or is derived from the proceeds of the money laundering conspiracy for which you have convicted the defendant BRADEN JOHN KARONY, enter the dollar amount or percentage used to purchase the real property located at 260 Gary Way, North Salt Lake, Davis County, Utah 84054 that you find constitutes or is derived from proceeds of the money laundering conspiracy.

100 %
____

The foreperson should sign and date this Special Verdict Form and notify the Court that you have reached a verdict.

Jeremy Wha
____
Jury Foreperson

Dated: Brooklyn, New York
May 21st, 2025

EXHIBIT 2

This order is SIGNED.

Dated: July 25, 2024

JOEL T. MARKER
U.S. Bankruptcy Judge

Prepared and Submitted by:

Michael R. Johnson (7070)
David H. Leigh (9433)
RAY QUINNEY & NEBEKER P.C.
36 South State Street, 14th Floor
P.O. Box 45385
Salt Lake City, UT 84145
(801) 532-1500
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Email: dleigh@rqn.com

Attorneys for Steven R. Bailey, Chapter 7 Trustee

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

In re: EMPIRE SOLAR GROUP, LLC, Debtor.	Bankruptcy Case No. 21-23636 Chapter 7 Honorable Joel T. Marker

ORDER (I) PRELIMINARILY APPROVING THE SETTLEMENT AGREEMENT, (II) APPROVING THE FORM AND MANNER OF NOTICE TO CLASS MEMBERS OF THE SETTLEMENT, (III) SCHEDULING A FAIRNESS HEARING TO CONSIDER FINAL APPROVAL OF THE SETTLEMENT AGREEMENT, AND (IV) GRANTING RELATED RELIEF

(Relates to Adv. No. 21-02112)

This matter came before the Court on July 3, 2024 for a preliminary hearing on the Joint Motion of Gage Winters and Makenna Clark ("Class Representatives" or "Plaintiffs"), on behalf of themselves and on behalf of the individuals named on Schedule 1 to the Settlement Agreement[1] (the "Settlement Class"), on the one hand, and Steven R. Bailey, in his capacity as the Chapter 7 trustee (the "Trustee") for the bankruptcy estate ("Bankruptcy Estate") of the above-captioned debtor Empire Solar Group, LLC (the "Debtor"), on the other hand, seeking an Order pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rules 9019 and 7023 to: (1) Approve the Settlement Agreement Pursuant to Bankruptcy Rule 9019, (2) Preliminarily Approve the Settlement Agreement Pursuant to Bankruptcy Rule 7023, (3) Approve the Form and Manner of Notice to Settlement Class Members of the Settlement, (4) Schedule a Fairness Hearing to Consider Final Approval of the Settlement Agreement, (5) Finally Approve the Settlement Agreement Following the Fairness Hearing, and (6) Grant Related Relief (the "Joint Motion") [Dkt. 645] (1) Preliminarily Approving the Settlement Agreement between the Parties, attached to the Joint Motion as Exhibit A; (2) Approving the Form and Manner of Notice to the Settlement Class; (3) Scheduling a Final Fairness Hearing for the final consideration and approval of the Settlement Agreement; and (4) Finally Approving the Settlement Agreement (the "Joint Motion"); and the Court having considered the Joint Motion and any opposition thereto, the Court finds that:

---

1 A copy of the Settlement and Release Agreement (the "Settlement Agreement" or "Settlement"), is attached to the Joint Motion as Exhibit A. Unless otherwise defined herein, capitalized terms have the meanings provided in the Settlement Agreement.

(i) Proper and sufficient notice of the Joint Motion, of the deadline to object thereto and of the preliminary hearing thereon, has been given and that no further notice of the Joint Motion is required except as set forth herein;

(ii) The proposed Settlement should be approved under Bankruptcy Rule 9019 and the factors set out in *In re Kopexa Realty Venture Co.*, 213 B.R. 1020, 1022 (10th Cir. BAP 1997), i.e., (a) the probability of success in the litigation, (b) the difficulties to be encountered in collection, (c) the complexities and expense of the litigation involved, and (d) the interests of creditors in proper deference to their reasonable views. There were no objections to the Joint Motion. The settlement is the result of good faith, arm's length negotiations and appears, as an initial matter, to fall within the range of reasonableness. Therefore, preliminary approval of the Settlement is warranted and in the best interests of the Parties and the Debtor's bankruptcy estate;

(iii) Class certification should be granted, for settlement purposes only, pursuant to Fed. R. Civ. P. 23. Namely, the proposed Settlement Class meets the numerosity, commonality, typicality and adequacy of class representation elements set out in Rule 23(a)(1), (2), (3) and (4), as well as the elements of 23(b)(3) that common questions of law and fact that affect all members of the proposed Settlement Class predominate over any questions affecting only individual members and a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

(iv) Notice should be given to all of the Settlement Class Members, affording them the opportunity to opt-out or object to the proposed Settlement Agreement;

(v) Notice to the Class by first class mail, postage prepaid, at their last known address as provided by the Trustee to Class Counsel (or as may otherwise be determined by Class Counsel and/or the Settlement Administrator) is reasonable and the best notice practicable under the circumstances and such mailing should be made by Class Counsel, through their designee, within fifteen (15) business days following the entry of this Order;

(vi) The contents of the notice of settlement (the "Class Notice") annexed to the Joint Motion as Exhibit C, to be updated as discussed on the record, meets the requirements of Fed. R. Civ. P. 23(c)(2)(B). The Class Notice states the nature and history of the action. The Class Notice also states that the Settlement Agreement, if approved, will be binding on all Settlement Class Members. The Class Notice also summarizes the terms of the Settlement Agreement, the right of each Settlement Class Member to opt-out or object to the Settlement and to appear by counsel at the Fairness Hearing, and the fact that more information is available from Class Counsel upon request. Further, the Class Notice informs the Settlement Class Members that the Settlement Agreement provides for the release of their Released Claims (as that term is defined in the Settlement Agreement) and the payment of Class Counsel's attorneys' fees and costs. *See* Fed. R. Civ. P. 23(h);

(vii) A hearing on the final approval of the Settlement Agreement ("Fairness Hearing") should be held on **October 31, 2024 at 2:00 p.m. (MT)** which will allow Settlement Class Members sufficient time from the mailing of the Class Notice to secure further information regarding the relief sought by the Joint Motion, and/or to opt-out or object to the proposed Settlement Agreement should they choose to do so, and to engage counsel to appear at the Fairness Hearing; and

(viii) Other good and sufficient cause exists for granting the relief requested in the Joint Motion.

THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Joint Motion is **GRANTED**, subject to final approval, as set forth herein.

2. The Settlement Agreement is hereby preliminarily approved.

3. The form of the Class Notice, substantially in the form annexed to the Joint Motion as Exhibit C, and the preparation and service of the Class Notice by Class Counsel, through their designee, by first class mail, postage prepaid, to each Settlement Class Member identified in Schedule 1 to the Settlement Agreement at his or her last known address as reflected in the Debtor's records (or as may otherwise be updated by Class Counsel and/or the Settlement Administrator) is hereby approved.

4. Within two business days of entry of this Order, and to the extent the Trustee has not already done so, the Trustee shall securely provide the Settlement Administrator with a social security number for each Settlement Class Member for the Settlement Administrator's use in locating any Settlement Class Member whose address is stale and/or for use in administration of the Settlement.

5. The Class Notice shall be mailed by first class mail by Class Counsel, through their designee to the individuals identified in Schedule 1 to the Settlement Agreement within fifteen (15) business days following the entry of this Order.

6. Settlement Class Members who wish to opt-out or object to the Settlement must send such opt-out or objection, according to the instructions set out in the Class Notice, such that

it is received by the entities as described in the Notice Parties no later than the deadlines set forth in the Class Notice, which shall be set at thirty-five (35) days from the date of mailing.

7. The Court shall conduct a Fairness Hearing on **October 31, 2024 at 2:00 p.m. (MDT).** The Fairness Hearing will be conducted remotely, by Zoom. Zoom access instructions for the hearing are as follows:

> www.utb.uscourts.gov/court-hearings-be-conducted-zoom
> Meeting ID:161 5478 8875
> Passcode: **3834658**
> +1 669 254 5252

8. This Court retains jurisdiction to construe, interpret, enforce, and implement the Settlement Agreement and this Order.

=========================END OF ORDER =========================

CERTIFICATE OF SERVICE

I hereby certify that on July 25, 2024, a true and correct copy of the foregoing [proposed] **ORDER (I) PRELIMINARILY APPROVING THE SETTLEMENT AGREEMENT, (II) APPROVING THE FORM AND MANNER OF NOTICE TO CLASS MEMBERS OF THE SETTLEMENT, (III) SCHEDULING A FAIRNESS HEARING TO CONSIDER FINAL APPROVAL OF THE SETTLEMENT AGREEMENT, AND (IV) GRANTING RELATED RELIEF** (the "ORDER") was electronically filed and therefore served via CM/ECF on the following:

- **Chase A. Adams** chase@adamslaw.legal
- **B. Scott Allen** scott@snjlegal.com, secretary@snjlegal.com
- **Rod N. Andreason** randreason@kmclaw.com, mkowalczyk@kmclaw.com
- **Steven R. Bailey tr** karen@baileylaw.org, UT06@ecfcbis.com
- **Megan K Baker** baker.megan@dorsey.com
- **Darwin H. Bingham** dbingham@scalleyreading.net, cat@scalleyreading.net
- **Matthew M. Boley** mboley@ck.law, krenak@ck.law
- **Daniel K. Brough** dbrough@btjd.com, hollyv@btjd.com; docketing@btjd.com
- **Ryan C. Cadwallader** rcadwallader@kmclaw.com, twhite@kmclaw.com
- **Deborah Rae Chandler** dchandler@aklawfirm.com
- **Geoffrey L. Chesnut** courtmailrr@expresslaw.com, gchesnut@expresslaw.com; chesnutgr54003@notify.bestcase.com
- **Jeffrey S. Cianciulli** jcianciulli@wgpllp.com, imarciniszyn@wgpllp.com
- **P. Matthew Cox** mcox@spencerfane.com; mwatson@spencerfane.com; ecall@spencerfane.com
- **J. Bryan Dexter** bryan@dexterlaw.com, g4981@notify.cincompass.com; camila@dexterlaw.com; dexter.jb.b124657@notify.bestcase.com
- **Douglas Farr** dfarr@buchalter.com docket@buchalter.com
- **Bryan T. Glover** bryan.glover@stoel.com jeannie.lihs@stoel.com
- **Michael F. Holbein** mholbein@sgrlaw.com
- **Armand J. Howell** armand@hwmlawfirm.com armand@ecf.courtdrive.com; meghan@ecf.courtdrive.com
- **Chad Johnson** chad@idahojobjustice.com, dunja@idahojobjustice.com; robyn@idahojobjustice.com; kati@utahjobjustice.com
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- **Paul W. Jones** paul@pauljonesattorney.com
- **Shanna M. Kaminski** skaminski@kaminskilawpllc.com
- **Patrick T Krenicky** pkrenicky@wgpllp.com, eyates@wgpllp.com
- **Reid W. Lambert** rlambert@strongandhanni.com, cjohnson@strongandhanni.com
- **David H. Leigh** dleigh@rqn.com, ASanchez@rqn.com; docket@rqn.com

- **Christopher J Martinez** martinez.chris@dorsey.com
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- **Elaine A. Monson** emonson@rqn.com docket@rqn.com; jsears@rqn.com
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- **Jeffrey Weston Shields** jshields@rqn.com, ecasaday@rqn.com, 5962725420@filings.docketbird.com; docket@rqn.com
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- **Jeffrey L. Trousdale** jtrousdale@cohnekinghorn.com, mparks@ck.law; apetersen@ck.law
- **United States Trustee** USTPRegion19.SK.ECF@usdoj.gov
- **Aaron M. Waite** aaronmwaite@agutah.gov
- **Landon Yost** landon.m.yost@usdoj.gov, western.taxcivil@usdoj.gov

/s/ Erin Casaday

1678537

DESIGNATION OF PARTIES TO BE SERVED

Service of the foregoing ORDER should be served on the persons in the manner designated below:

By electronic service: I certify that the parties of record in this case as identified immediately below are registered CM/ECF users and will be served notice of entry of the foregoing Order through the CM/ECF System:

- **Chase A. Adams** chase@adamslaw.legal
- **B. Scott Allen** scott@snjlegal.com, secretary@snjlegal.com
- **Rod N. Andreason** randreason@kmclaw.com, mkowalczyk@kmclaw.com
- **Steven R. Bailey tr** karen@baileylaw.org, UT06@ecfcbis.com
- **Megan K Baker** baker.megan@dorsey.com
- **Darwin H. Bingham** dbingham@scalleyreading.net, cat@scalleyreading.net
- **Matthew M. Boley** mboley@ck.law, krenak@ck.law
- **Daniel K. Brough** dbrough@btjd.com, hollyv@btjd.com; docketing@btjd.com
- **Ryan C. Cadwallader** rcadwallader@kmclaw.com, twhite@kmclaw.com
- **Deborah Rae Chandler** dchandler@aklawfirm.com
- **Geoffrey L. Chesnut** courtmailrr@expresslaw.com, gchesnut@expresslaw.com; chesnutgr54003@notify.bestcase.com
- **Jeffrey S. Cianciulli** jcianciulli@wgpllp.com, imarciniszyn@wgpllp.com
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- **Patrick T Krenicky** pkrenicky@wgpllp.com, eyates@wgpllp.com
- **Reid W. Lambert** rlambert@strongandhanni.com, cjohnson@strongandhanni.com
- **David H. Leigh** dleigh@rqn.com, ASanchez@rqn.com; docket@rqn.com
- **Christopher J Martinez** martinez.chris@dorsey.com
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- **Blake D. Miller** bmiller@aklawfirm.com, millermobile@gmail.com; miller.blaked@gmail.com
- **Stuart J. Miller** sjm@lankmill.com
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- **Jeremy C. Sink** jsink@kmclaw.com, mcarlson@kmclaw.com
- **Mark S. Swan** mswan@strongandhanni.com mark@swanlaw.net
- **Richard C. Terry** richard@tjblawyers.com cbcecf@yahoo.com
- **Jeffrey L. Trousdale** jtrousdale@cohnekinghorn.com, mparks@ck.law; apetersen@ck.law
- **United States Trustee** USTPRegion19.SK.ECF@usdoj.gov
- **Aaron M. Waite** aaronmwaite@agutah.gov
- **Landon Yost** landon.m.yost@usdoj.gov, western.taxcivil@usdoj.gov

By U.S. Mail – In addition to the foregoing persons of record receiving notice of the entry of the Order through the CM/ECF system, the NON-ECF parties requesting notice and parties set forth in the Court's Order limiting notice as attached hereto as Exhibit A should be served with a copy of the Order by U.S. Mail pursuant to Fed R. Civ. P. 5(b).

/s/ Erin Casaday

EXHIBIT A

United States Trustee
405 South Main Street, #300
Salt Lake City, UT 84111

Steven R. Bailey, Trustee
P.O. Box 1828
Layton, UT 84041

Mark C. Rose
McKay, Burton & Thurman P.C.
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Salt Lake City, UT 84101

Rocky Mountain Advisory
15 W. South Temple, Suite 500
Salt Lake City, UT 84101

Uinta Bank
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Evanston, WY 82930

Durham Commercial Capital Corp
101 Sullys Trail, Bldg 20
Pittsford, NY 14534

D & J Properties
3020 South West Temple
Salt Lake City UT 84115

Wesco Distribution, Inc.
3425 East Van Buren Street
Phoenix, AZ 84008

Gambit, LLC
235 Washakie Dr.
Evanston, WY 82930

Consolidated Electrical Distributors, Inc.
15230 N. 75th St., Suite 2020
Scottsdale, AZ 85260

CT Corporation System, as representative
330 N. Brand Blvd., Suite 700
Glendale, CA 91203
Attn: SPRS

Byline Financial Group
2801 Lakeside Drive, Suite 212
Deerfield, IL 60015

Suntuity Solar Limited Liability Company
2137 NJ-35
Holmdel, NJ 07733

Onesource Distributors, LLC
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Oceanside, CA 92056

Codale Electric Supply, Inc.
5225 W. 2400 South
South Salt Lake City, UT 84120

Crawford Electric Supply Company, Inc.
7390 Northcourt Rd.
Houston, TX 77040

Independent Electric Supply, Inc.
2001 Marina Blvd,
San Leandro, CA 94577

QED Inc., dba Quality Electrical Distributors
1661 W. 3rd Ave.,
Denver, CO 80233

Viking Electric Supply, Inc.
451 Industrial Boulevard NE,
Minneapolis, MN 55413

World Electric Supply, Inc.
569 Stuart Lane
Jacksonville, FL 32254

Wesco Distribution, Inc.
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Daylight Roofing
Donaciano Talamantes
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Imperial Beach, CA 91932

Eco Rocha LLC
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Henderson, NV 98011

Internal Revenue Service
Centralized Insolvency Operation
P.O. Box 7346
Philadelphia, PA 19101-7346

State of Utah
AG Office, Tax Financial Service Div.
160 East 300 South, 5th Floor
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Beaumont, TX 77702

Jared N. Parrish
Intelligys Legal
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Draper, UT 84020

EXHIBIT 3

This order is SIGNED.

Dated: November 7, 2024

JOEL T. MARKER
U.S. Bankruptcy Judge

Prepared and Submitted by:

Mary E. Olsen, Esq.
THE GARDNER FIRM, P.C.
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Mobile, Alabama 36602
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(251) 433-8181 (fax)

Attorneys for Gage Winters and Makenna Clark

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

In re: Empire Solar Group, LLC, Debtor.	**Bankruptcy No. 21-23636** Chapter 7 Honorable Joel T. Marker

FINAL ORDER APPROVING THE CLASS ACTION SETTLEMENT AGREEMENT

(Relates to Adv. No. 21-02112)

The Court has considered the Joint Motion of Gage Winters and Makenna Clark ("Class Representatives" or "Plaintiffs"), on behalf of themselves and on behalf of the individuals named on Schedule 1 to the Settlement Agreement[1] (the "Settlement Class"), on the one hand, and Steven R. Bailey, in his capacity as the Chapter 7 trustee (the "Trustee") for the bankruptcy estate ("Bankruptcy Estate") of the above captioned debtor Empire Solar Group, LLC (the "Debtor"), on the other hand, collectively referred to herein as the "Parties," by and through their respective counsel of record, for an Order Pursuant to Section 105 of the Bankruptcy Code and Bankruptcy Rules 9019 and 7023 to: (1) Approve the Settlement Agreement Pursuant to Bankruptcy Rule 9019, (2) Preliminarily Approve the Settlement Agreement Pursuant to Bankruptcy Rule 7023, (3) Approve the Form and Manner of Notice to Settlement Class Members of the Settlement, (4) Schedule a Fairness Hearing to Consider Final Approval of the Settlement Agreement, (5) Finally Approve the Settlement Agreement Following the Fairness Hearing, and (6) Grant Related Relief (the "Joint Motion") (1) Preliminarily Approving the Settlement Agreement between the Parties, attached to the Joint Motion as Exhibit A; (2) Approving the Form and Manner of Notice to the Settlement Class; (3) Scheduling a Final Fairness Hearing for the final consideration and approval of the Settlement Agreement; and (4) Finally Approving the Settlement Agreement (the "Joint Motion"); and the Court having considered the Joint Motion and any opposition thereto, the Court finds that:

A. The Court entered an Order on July 25, 2024, granting preliminary approval of the Settlement Agreement and approving the form and manner of notice of the Settlement Agreement to be given to all Class Members;

B. Due notice has been given to the Settlement Class of the Settlement Agreement and the right to opt-out or object to it, and the right to appear in person or by counsel at the Fairness

[1] A copy of the Settlement and Release Agreement dated May 23, 2024 (the "Settlement Agreement" or "Settlement"), is attached to this Joint Motion as Exhibit A. Unless otherwise defined herein, capitalized terms have the meanings provided in the Settlement Agreement.

Hearing, should they so choose; and no other and further notice is required and such notice is deemed proper and sufficient under the circumstances;

C. There were no opt-outs and no objections;

D. The Court has held a Fairness Hearing on October 31, 2024 to consider final approval of the Settlement Agreement;

E. All Settlement Class Members are bound by this Order and the terms of the Settlement Agreement;

F. The terms of the Settlement Agreement are fair, reasonable and adequate under Federal Rule of Civil Procedure 23 and the applicable factors as set out in *Rutter & Wilbanks Corp. v. Shell Oil Co.*, 314 F.3d 1180, 1188 (10th Cir. 2002);

G. The Settlement Agreement was negotiated at arm's-length and in good faith, is fair equitable and in the best interests of the Parties; and

H. Other good and sufficient cause exists for granting the relief requested in the Joint Motion.

THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Settlement Agreement is **APPROVED** on a final basis pursuant to Bankruptcy Rule 9019 and Bankruptcy Rule 7023, as set forth herein.

2. The Parties are authorized to implement the terms of the Settlement Agreement and Defendant shall make the payment of the Settlement Amount in accordance with the Settlement Agreement.

3. Within two business days of entry of this Order, and to the extent the Trustee has such records available to him and has not already done so, the Trustee or his representatives shall securely provide the Settlement Administrator with a social security number for each Settlement

Class Member, for the Settlement Administrator's use in locating any Settlement Class Member whose address is stale and/or for use in administration of the Settlement. The Settlement Administrator shall keep such information confidential and shall implement reasonable procedures to protect such information from unauthorized disclosure.

4. Upon entry of this Order and occurrence of the Settlement Effective Date as defined in the Settlement, the Released Claims shall be deemed waived and released in their entirety.

5. Upon entry of this Order and occurrence of the Settlement Effective Date as defined in the Settlement, the WARN Act Litigation shall be deemed dismissed with prejudice, without further action by the Parties.

6. This Court shall retain jurisdiction, even after the dismissal of the WARN Act Litigation, with respect to all matters arising from or related to the implementation of the Settlement Agreement and this Order.

---END OF ORDER---

CERTIFICATE OF SERVICE

I hereby certify that on the November 4, 2024, a true and correct copy of the foregoing [proposed] **FINAL ORDER APPROVING THE CLASS ACTION SETTLEMENT AGREEMENT** (the "Order") was electronically filed and therefore served via CM/ECF on the following:

- **Chase A. Adams** chase@adamslaw.legal
- **B. Scott Allen** scott@snjlegal.com, secretary@snjlegal.com
- **Rod N. Andreason** randreason@kmclaw.com, mkowalczyk@kmclaw.com
- **Steven R. Bailey tr** karen@baileylaw.org, UT06@ecfcbis.com
- **Megan K Baker** baker.megan@dorsey.com
- **Darwin H. Bingham** dbingham@scalleyreading.net, cat@scalleyreading.net
- **Matthew M. Boley** mboley@ck.law, krenak@ck.law
- **Daniel K. Brough** dbrough@btjd.com, hollyv@btjd.com;docketing@btjd.com
- **Ryan C. Cadwallader** rcadwallader@kmclaw.com, twhite@kmclaw.com
- **Deborah Rae Chandler** dchandler@aklawfirm.com
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/s/ Mary E. Olsen

DESIGNATION OF PARTIES TO BE SERVED

Service of the foregoing **FINAL ORDER APPROVING THE CLASS ACTION SETTLEMENT AGREEMENT** (the “Order”) should be served on the persons in the manner designated below:

By electronic service: I certify that the parties of record in this case as identified immediately below are registered CM/ECF users and will be served notice of entry of the foregoing Order through the CM/ECF System:

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By U.S. Mail – In addition to the foregoing persons of record receiving notice of the entry of the Order through the CM/ECF system, the NON-ECF parties requesting notice and parties set forth in the Court's Order limiting notice as attached hereto as Exhibit A should be served with a copy of the Order by U.S. Mail pursuant to Fed R. Civ. P. 5(b).

/s/__Mary E. Olsen________________

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EXHIBIT 4

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

- X

UNITED STATES OF AMERICA

- against -

Docket No. 23-CR-433 (EK)

BRADEN J. KARONY,

Defendant.

- X

JURY CHARGE

TABLE OF CONTENTS

INSTRUCTION NO. 1 — Role of the Court 3
INSTRUCTION NO. 2 — Role of the Jury 4
INSTRUCTION NO. 3 — Equality of Parties Before the Court 6
INSTRUCTION NO. 4 — Presumption of Innocence 7
INSTRUCTION NO. 5 — Reasonable Doubt 8
INSTRUCTION NO. 6 — Indictment is Not Evidence 9
INSTRUCTION NO. 7 — Dates and Amounts Approximate 10
INSTRUCTION NO. 8 — Meaning of “and” in the Indictment 11
INSTRUCTION NO. 9 — No Consideration of Punishment 12
INSTRUCTION NO. 10 — Sympathy 13
INSTRUCTION NO. 11 — Stipulations 14
INSTRUCTION NO. 12 — Objections 15
INSTRUCTION NO. 13 — Summary Evidence 16
INSTRUCTION NO. 14 — Character Evidence 17
INSTRUCTION NO. 15 — Preparation of Witnesses 18
INSTRUCTION NO. 16 — Credibility of Witnesses 19
INSTRUCTION NO. 17 — Cooperating Witness Testimony 21
INSTRUCTION NO. 18 — Law Enforcement or Government Witness Testimony 24
INSTRUCTION NO. 19 — Defendant Testimony 25
INSTRUCTION NO. 20 — Opinion Testimony 26
INSTRUCTION NO. 21 — No Duty to Use Particular Investigative Techniques 27
INSTRUCTION NO. 22 — No Duty to Call Witnesses or Produce All Available Evidence 28
INSTRUCTION NO. 23 — Uncalled Witnesses Equally Available 29
INSTRUCTION NO. 24 — Direct and Circumstantial Evidence 30
INSTRUCTION NO. 25 — Permissible Inferences Drawn from the Evidence 31
INSTRUCTION NO. 26 — Transcripts 32
INSTRUCTION NO. 27 — Redactions 33
INSTRUCTION NO. 28 — Other Persons Not on Trial 34
INSTRUCTION NO. 29 — Summary of Charges 35
INSTRUCTION NO. 30 — Knowingly, Willfully, Intentionally 36
INSTRUCTION NO. 31 — Conspiracy Generally 37

INSTRUCTION NO. 32 — Count One: Conspiracy to Commit Securities Fraud 38

A. Elements of Conspiracy to Commit Securities Fraud 38

INSTRUCTION NO. 33 — Count One: Object of the Conspiracy – Securities Fraud 44

A. Security: Defined 44

B. First Element: Fraudulent Act 46

C. Second Element: Knowingly, Willfully and With Intent to Defraud 49

D. Third Element: Instrumentality of Interstate Commerce 50

E. Domestic and Extraterritorial Transactions: Defined 51

INSTRUCTION NO. 34 — Count Two: Conspiracy to Commit Wire Fraud 53

INSTRUCTION NO. 35 — Count Two: Object of the Conspiracy – Wire Fraud 54

A. First Element — Scheme to Defraud 54

B. Second Element — Intent to Defraud 55

C. Third Element — Use of Interstate Wires 56

INSTRUCTION NO. 36 — Count Three: Money Laundering Conspiracy 57

A. Elements of Conspiracy to Commit Money Laundering 57

INSTRUCTION NO. 37 — Count Three: Object of the Money Laundering Conspiracy 59

A. Object of the Money Laundering Conspiracy 59

INSTRUCTION NO. 38 — Conscious Avoidance 63

INSTRUCTION NO. 39 — Venue 64

INSTRUCTION NO. 40 — Selection of a Foreperson 66

INSTRUCTION NO. 41 — Right to See Exhibits and Testimony 67

INSTRUCTION NO. 42 — Deliberations 68

INSTRUCTION NO. 43 — Unanimity 69

INSTRUCTION NO. 1 — Role of the Court

My duty at this point is to instruct you as to the law. It is your duty to accept these instructions of law and apply them to the facts as you determine them, just as it has been my duty to preside over the trial and decide what testimony and evidence is relevant and admissible under the law for your consideration.

On these legal matters, you must take the law as I give it to you. If any attorney has stated a legal principle different from any that I state to you in my instructions, it is my instructions that you must follow.

You should not single out any instruction as alone stating the law, but you should consider my instructions as a whole when you retire to deliberate in the jury room.

You should not, any of you, be concerned about the wisdom of any rule that I state. Regardless of any opinion that you may have as to what the law may be — or ought to be — it would violate your sworn duty to base a verdict upon any other view of the law than that which I give you.

INSTRUCTION NO. 2 — Role of the Jury

Your role is to pass upon and decide the fact issues that are in the case. You, the members of the jury, are the sole and exclusive judges of the facts. You pass upon the weight of the evidence; you determine the credibility of the witnesses; you resolve any conflicts there may be in the testimony, and you draw whatever reasonable inferences you decide to draw from the facts as you have determined them.

I shall later discuss with you how to pass upon the credibility — or believability — of the witnesses.

In determining the facts, you must rely upon your own recollections of the evidence. What the lawyers have said in their opening statements, in their closing arguments, in their objections, or in their questions is not evidence. In this connection, you should bear in mind that a question put to a witness is never evidence. It is only the answer that is evidence. Nor is anything I may have said during the trial or may say during these instructions with respect to a factual matter to be taken as a substitute for your own independent recollection. What I say is not evidence.

The evidence before you consists of the answers given by witnesses — the testimony they gave, as you recall it — and the exhibits that were received in evidence.

The evidence does not include questions — by any party or the court. Only the answers are evidence. But you may not consider any answer that I sustained an objection to, that I directed you to disregard, or that I directed struck from the record. Do not consider such answers.

You may also consider the stipulations of the parties as evidence.

Since you are the sole and exclusive judges of the facts, I do not mean to indicate any opinion as to the facts or what your verdict should be. The rulings I have made during the trial are not any indication of my views of what your decision should be as to whether or not the guilt of a defendant has been proven beyond a reasonable doubt.

I also ask you to draw no inference from the fact that upon occasion I asked questions of certain witnesses. These questions were only intended for clarification or to expedite matters and certainly were not intended to suggest any opinions on my part as to the verdict you should render or whether any of the witnesses may have been more credible than any other witnesses. You must understand that the court has no opinion as to the verdict you should render in this case.

As to the facts, ladies and gentlemen, you are the exclusive judges.

<u>INSTRUCTION NO. 3 — Equality of Parties Before the Court</u>

You are to perform the duty of finding the facts without bias or prejudice as to any party. You are to perform your final duty in an attitude of complete fairness and impartiality.

The case is important to the government, for the enforcement of criminal laws is significant to the community. Equally, it is important to the defendant, who is charged with serious crimes.

The fact that the prosecution is brought in the name of the United States of America entitles the government to no greater consideration than that accorded to any other party to a litigation. By the same token, it is entitled to no less consideration. All parties, whether government or individuals, stand as equals at the bar of justice.

INSTRUCTION NO. 4 — Presumption of Innocence

The defendant has pleaded not guilty to the charges in the indictment. To convict a defendant, the burden is on the prosecution to prove the defendant's guilt of each element of a charge beyond a reasonable doubt. This burden never shifts to the defendant, for the simple reason that the law presumes a defendant to be innocent and never imposes upon a defendant in a criminal case the burden or duty of calling any witness or producing any evidence.

In other words, a defendant starts with a clean slate and is presumed innocent of each charge until such time, if ever, that you as a jury are satisfied that the government has proven a given defendant guilty of a given charge beyond a reasonable doubt.

INSTRUCTION NO. 5 — Reasonable Doubt

Since, in order to convict a defendant of a given charge, the government is required to prove that charge beyond a reasonable doubt, the question then is: What is a reasonable doubt? The words almost define themselves. It is a doubt based upon reason. It is doubt that a reasonable person has after carefully weighing all of the evidence. It is a doubt that would cause a reasonable person to hesitate to act in a matter of importance in his or her personal life. Proof beyond a reasonable doubt must, therefore, be proof of a convincing character that a reasonable person would not hesitate to rely on in making an important decision.

A reasonable doubt is not an impulse or whim. It is not speculation or mere suspicion. It is not an excuse to avoid the performance of an unpleasant duty. The law does not require that the government prove guilt beyond <u>all</u> possible doubt. Proof beyond a reasonable doubt is sufficient to convict.

If, after fair and impartial consideration of the evidence, you have a reasonable doubt as to a defendant's guilt with respect to a particular charge against him, you must find that defendant not guilty of that charge. On the other hand, if after fair and impartial consideration of all the evidence, you are satisfied beyond a reasonable doubt of a defendant's guilt with respect to a particular charge against him, then you should find the defendant guilty of that charge.

INSTRUCTION NO. 6 — Indictment is Not Evidence

The defendant is formally charged in an indictment. As I instructed you at the outset of this case, an indictment is a charge or accusation. The indictment is merely a statement of charges and is not evidence. The indictment in this case contains three counts on which you will be called to render a verdict. I will go over them in detail, but let me list them now:

Count One charges the defendant with participating in a conspiracy to commit securities fraud.

Count Two charges the defendant with participating in a conspiracy to commit wire fraud.

Count Three charges the defendant with participating in a conspiracy to commit money laundering.

I will shortly explain to you the law that applies to each of the counts in the indictment.

INSTRUCTION NO. 7 — Dates and Amounts Approximate

You will note that the indictment charged that the offenses were committed "in or about" a certain timeframe, and also provided dollar amounts as to certain transactions. The government does not have to prove with certainty the exact date of the alleged offense, or the exact amount transacted. It is sufficient if the government proves beyond a reasonable doubt that the offense was committed on a date reasonably near the timeframe alleged, and in an amount reasonably approximating the one alleged.

INSTRUCTION NO. 8 — Meaning of "and" in the Indictment

Where a statute specifies alternative ways in which an offense may be committed, the indictment may allege the multiple ways in the conjunctive — that is, by using the word "and." If only one of the alternatives is proved beyond a reasonable doubt, that is sufficient for conviction, so long as you agree unanimously as to that alternative.

INSTRUCTION NO. 9 — No Consideration of Punishment

The question of possible punishment of a defendant is of no concern to the jury and should not, in any sense, enter into or influence your deliberations. The duty of imposing any sentence rests exclusively with the court. Your function is to weigh the evidence in the case and to determine whether or not a defendant is guilty beyond a reasonable doubt, solely upon the basis of such evidence. Under your oaths as jurors, you cannot allow a consideration of the punishment that may be imposed upon a defendant, if they are convicted, to influence your verdict in any way, or, in any sense, enter into your deliberations.

<u>INSTRUCTION NO. 10 — Sympathy</u>

Under your oath as jurors, you are not to be swayed by sympathy. You are to be guided solely by the evidence in this case, and the crucial, hard-core question that you must ask yourselves as you sift through the evidence is: Has the government proven the guilt of the defendant beyond a reasonable doubt?

It is for you alone to decide whether the government has proven that the defendant is guilty of the crimes charged solely on the basis of the evidence and subject to the law as I charge you. It must be clear to you that once you let fear or prejudice, or bias or sympathy, interfere with your thinking, there is a risk that you will not arrive at a true and just verdict.

If you have a reasonable doubt as to a defendant's guilt, you should not hesitate for any reason to find a verdict of acquittal. But, on the other hand, if you should find that the government has met its burden of proving the defendant's guilt beyond a reasonable doubt, you should not hesitate because of sympathy or any other reason to render a verdict of guilty.

INSTRUCTION NO. 11 — Stipulations

A stipulation is an agreement among the parties that a certain fact is true. You should regard such agreed upon facts as true.

<u>INSTRUCTION NO. 12 — Objections</u>

It is the duty of the attorney for each side of a case to object when the other side offers testimony or other evidence that the attorney believes is not properly admissible. Counsel also have the right and duty to ask the court to make rulings of law and to request conferences at the sidebar out of the hearing of the jury. All those questions of law must be decided by me, the court. You should not show any prejudice against an attorney or his or her client because the attorney objected to the admissibility of evidence, or asked for a conference out of the hearing of the jury, or asked the court for a ruling on the law.

My rulings on the admissibility of evidence do not indicate any opinion about the weight or effect of such evidence. You are the sole judges of the credibility of all witnesses and the weight and effect of all evidence. You should not be influenced by the objections, the court's rulings on the objections, or the fact that certain exhibits may have been discussed in court but not admitted into evidence.

INSTRUCTION NO. 13 — Summary Evidence

Some exhibits were admitted into evidence in the form of charts, summaries and compilations. Those charts, summaries and compilations were admitted in place of and, at times, along with the underlying documents that they represent in order to save the time and inconvenience of reviewing voluminous records. You should consider these items as you would any other evidence.

INSTRUCTION NO. 14 — Character Evidence

The defendant has called witnesses who have testified to defendant Braden John Karony's good reputation in the community. This testimony is not to be taken by you as the witnesses' opinion as to whether the defendant is guilty or not guilty. That question is for you alone to determine. You should, however, consider this character evidence together with all the other facts and all the other evidence in the case in determining whether the defendant is guilty or not guilty of the charges.

Such character evidence alone may indicate to you that it is improbable that a person of good reputation would commit the offense charged. Accordingly, if, after considering the question of the defendant Braden John Karony's good reputation, you find that a reasonable doubt has been created, you must acquit him of all the charges.

On the other hand, if, after considering all of the evidence, including that of the defendant Braden John Karony's reputation, you are satisfied beyond a reasonable doubt that the defendant is guilty, you should not acquit the defendant merely because you believe Braden John Karony is a person of good reputation.

INSTRUCTION NO. 15 — Preparation of Witnesses

There was testimony at trial that the attorneys for the government interviewed witnesses when preparing for and during the course of the trial. There is nothing inappropriate about such meetings and you must not draw any unfavorable inference from that fact.

On the contrary, attorneys have an obligation to prepare their case as thoroughly as possible and, in the discharge of that responsibility, to interview witnesses. Such consultation helps conserve your time and the court's time.

INSTRUCTION NO. 16 — Credibility of Witnesses

It must be clear to you by now that the government and the defendant are asking you to draw very different conclusions about various factual issues in the case. Deciding these issues will involve making judgments about the testimony of the witnesses you have listened to and observed. In making these judgments, you should carefully scrutinize all of the testimony of each witness, the circumstances under which each witness testified, and any other matter in evidence that may help you to decide the truth and the importance of each witness' testimony.

Your decision whether or not to believe a witness may depend on how that witness impressed you. How did the witness appear? Was the witness candid, frank, and forthright; or, did the witness seem to be evasive or suspect in some way? How did the way the witness testified on direct examination compare with how the witness testified on cross-examination? Was the witness consistent or contradictory? Did the witness appear to know what he or she was talking about? Did the witness strike you as someone who was trying to report his or her knowledge accurately? These are examples of the kinds of common-sense questions you should ask yourselves in deciding whether a witness is, or is not, truthful.

How much you choose to believe a witness may also be influenced by the witness's bias. Does the witness have a relationship with the government or the defendant that may affect how he or she testified? Does the witness have some incentive, loyalty, or motive that might cause him or her to shade the truth? Does the witness have some bias, prejudice, or hostility that may cause the witness to give you something other than a completely accurate account of the facts he or she testified to?

You should also consider whether a witness had an opportunity to observe the facts he or she testified about. Also, you should consider whether the witness' recollection of the facts stands up in light of the other evidence in the case.

In other words, what you must try to do in deciding credibility is to size up a person just as you would in any important matter when you are trying to decide if a person is truthful, straightforward, and accurate in his or her recollection.

<u>INSTRUCTION NO. 17 — Cooperating Witness Testimony</u>

You heard from a witness who testified that he was himself involved in one or more of the charged crimes with the defendant. Experience will tell you that the government sometimes must rely on the testimony of witnesses who admit participating in criminal activity. Otherwise, it would be difficult or impossible to detect and prosecute wrongdoers. The government argues, as it is permitted to do, that it must take the witnesses as it finds them and that people who themselves take part in criminal activity have the knowledge required to show criminal behavior by others. For that reason, the law allows the use of such testimony. It is the law in the federal courts that such testimony may be enough, standing alone, for conviction if the jury finds that the testimony establishes guilt beyond a reasonable doubt.

However, because of the interest a cooperating witness may have in testifying, the testimony should be scrutinized with special care and caution. The fact that the witness may benefit from his cooperation may be considered by you as bearing upon his credibility.

Like the testimony of any other witness, cooperating witness testimony should be given such weight as it deserves in light of the facts and circumstances before you, taking into account the witness's demeanor and candor, the strength and accuracy of the witness's recollection, his background and the extent to which his testimony is or is not corroborated by other evidence in the case.

You may consider whether a cooperating witness has an interest in the outcome of the case and, if so, whether that interest has affected his testimony. You should ask yourselves whether the witness would benefit more by lying or by telling the truth. Was his testimony made up in any way because he believed or hoped that he would somehow receive favorable treatment by testifying falsely, or did he believe that his interest would be best served by testifying truthfully? If you believe that that witness was motivated by hopes of personal gain, was the motivation one that would cause him to lie or was it one that would cause him to tell the truth? Did this motivation color his testimony? You are the ones to decide that. You are the deciders of the facts.

As with any other witness, let me emphasize that the issue of credibility need not be decided in an all-or-nothing fashion. Even if you find that a witness testified falsely in one part, you still may accept the witness's testimony in other parts, or you may disregard all the testimony. That's a determination entirely for you, the jury.

You heard evidence that this government witness has pleaded guilty to charges arising out of some of the same facts that are at issue in this case. That evidence is before you solely to assist you in evaluating the credibility of that witness. You are instructed that you are to draw no conclusions or inferences of any kind about the guilt of the defendant on trial before you from the fact that a prosecution witness pleaded guilty to related or similar charges. That witness's decision to plead guilty was a personal decision about his own guilt. It may not be used by you in any way as evidence against or unfavorable to the defendant.

You have already heard testimony that the cooperating witness pleaded guilty after entering into an agreement with the government to testify. The government is allowed to enter into these agreements, and it is not your concern why the government made an agreement with a particular witness or whether you approve or disapprove of the government's tactics. You may, however, consider the effect, if any, that the existence or terms of the agreement may have on the witness's credibility.

The government has also promised to bring the witness's cooperation to the attention of the sentencing court. When someone cooperates with the government, the government does not determine what sentence they are going to get. Nor does the government make a recommendation to the sentencing judge as to how much time they are going to get. What the government will do, if it is satisfied with the level of cooperation, is write to the sentencing judge what is known as a 5K letter. The 5K letter sets forth the cooperating witness' criminal acts as well as the substantial assistance the witness has provided. I instruct you that the 5K letter does not guarantee the cooperating witness a lower sentence. This is because the sentencing court may, but is not required to, take the 5K letter into account when imposing sentence on the cooperating witness. The court has discretion, whether or not a 5K letter is written, to impose any reasonable sentence the court deems appropriate up to the statutory maximum. The final determination as to the sentence to be imposed rests with the court, not with the government. In sum, you should look at all the evidence in deciding what credence and what weight, if any, you want to give the cooperating witness and the 5K letter.

INSTRUCTION NO. 18 — Law Enforcement or Government Witness Testimony

You have heard the testimony of law enforcement witnesses. The fact that a witness may be employed by the government or as a law enforcement officer does not mean that his or her testimony is necessarily deserving of more or less consideration or greater or lesser weight than that of any other witness.

At the same time, it is quite legitimate for defense counsel to try to attack the credibility of a law enforcement witness on the grounds that his or her testimony may be colored by a personal or professional interest in the outcome of the case.

It is your decision, after reviewing all the evidence, whether to accept the testimony of a law enforcement witness and to give that testimony whatever weight, if any, you find it deserves.

<u>INSTRUCTION NO. 19 — Defendant Testimony</u>

The defendant chose not to testify in this case. Under our Constitution, a defendant has no obligation to testify or to present any evidence, because it is the government's burden to prove guilt beyond a reasonable doubt. A defendant is never required to prove that he is innocent.

Therefore, you must not attach any significance to the fact that the defendant did not testify. You may not draw any adverse inference against the defendant because he did not take the witness stand, and you may not consider that fact in any way while deliberating.

INSTRUCTION NO. 20 — Opinion Testimony

In this case, I have permitted certain witnesses to express their opinions about matters that are in issue. A witness may be permitted to testify to an opinion on those matters about which he or she has special knowledge, skill, experience, and training. Such testimony is presented to you on the theory that someone who is experienced and knowledgeable in the field can assist you in understanding the evidence or in reaching an independent decision on the facts.

In weighing this opinion testimony, you may consider the witness's qualifications, his or her opinions, his or her reasons for testifying, as well as all of the other considerations that ordinarily apply when you are deciding whether or not to believe a witness's testimony. You may give the opinion testimony whatever weight, if any, you find it deserves in light of all the evidence in this case. You should not, however, accept opinion testimony merely because I allowed the witness to testify concerning his or her opinion. Nor should you substitute it for your own reason, judgment, and common sense. The determination of the facts in this case rests solely with you.

INSTRUCTION NO. 21 — No Duty to Use Particular Investigative Techniques

There is no legal requirement that the government use any specific investigative techniques to prove its case. The government is not on trial in this case and law enforcement techniques are not your concern. Your concern is to determine whether or not, based upon all of the evidence in this case, the government has proven that the defendant is guilty beyond a reasonable doubt as to each count charged in the indictment.

INSTRUCTION NO. 22 — No Duty to Call Witnesses or Produce All Available Evidence

A party is not required to call a particular witness or offer any specific item or types of evidence. You may have heard argument about types of evidence that were not introduced in this case. While the defense is permitted to argue that there is a lack of certain evidence, you should not speculate on whether such evidence exists or what such evidence might have shown.

Relatedly, although the government bears the burden of proof, the law does not require the government to call as witnesses all persons who may have been present at any time or place involved in the case, or who may appear to have some knowledge of the issues in this case. Nor does the law require the government to produce as exhibits all things mentioned during the course of the trial. Again, your concern is to determine whether or not, based on the evidence presented, the defendant's guilt has been proved beyond a reasonable doubt.

INSTRUCTION NO. 23 — Uncalled Witnesses Equally Available

There are several persons whose names you have heard during the course of the trial but who did not appear here to testify. I instruct you that each party had an equal opportunity or lack of opportunity to call any of these witnesses. Therefore, you should not draw any inferences or reach any conclusions as to what they would have testified to had they been called. Their absence should not affect your judgment in any way.

You should, however, remember my instruction that the law does not impose on a defendant in a criminal case the burden or duty of calling any witness or producing any evidence. The burden of proof to prove the charges beyond a reasonable doubt remains with the government at all times.

INSTRUCTION NO. 24 — Direct and Circumstantial Evidence

In deciding whether or not the government has met its burden of proof, you may consider both direct evidence and circumstantial evidence.

Direct evidence is evidence that proves a disputed fact directly. For example, when a witness testifies to what he or she saw, heard or observed, that is called direct evidence.

Circumstantial evidence is evidence that tends to prove a disputed fact by proof of other facts.

That is all there is to circumstantial evidence. Using your reason and experience, you infer from established facts the existence or the nonexistence of some other fact. Please note, however, that it is not a matter of speculation or guess: it is a matter of logical inference.

The law makes no distinction between direct and circumstantial evidence. Circumstantial evidence is of no less value than direct evidence, and you may consider either or both, and may give them such weight as you conclude is warranted.

<u>INSTRUCTION NO. 25 — Permissible Inferences Drawn from the Evidence</u>

During the trial you may have heard the attorneys use the term "inference," and in their arguments they have asked you to infer, on the basis of your reason, experience, and common sense, from one or more established facts, the existence of some other fact.

An inference is not a suspicion or a guess. It is a reasoned, logical decision to conclude that a disputed fact exists on the basis of another fact that you know exists.

There are times when different inferences may be drawn from facts, whether proved by direct or circumstantial evidence. The government asks you to draw one set of inferences, while the defense asks you to draw another. It is for you, and you alone, to decide what inferences you will draw.

The process of drawing inferences from facts in evidence is not a matter of guesswork or speculation. An inference is a deduction or conclusion that you, the jury, are permitted to draw — but not required to draw — from the facts that have been established by either direct or circumstantial evidence. In drawing inferences, you should exercise your common sense.

So, while you are considering the evidence presented to you, you are permitted to draw, from the facts that you find to be proven, such reasonable inferences as would be justified in light of your experience.

Here again, let me remind you that, whether based on direct or circumstantial evidence, or on the logical, reasonable inferences drawn from such evidence, you must be satisfied of the guilt of the defendant beyond a reasonable doubt before you may convict.

INSTRUCTION NO. 26 — Transcripts

The government has presented exhibits containing a transcription of certain recordings that have been received as evidence. Let me say again, you, the jury, are the sole judges of the facts. You should make your own interpretation of what appears on the recordings based on what you heard. If you think you heard something differently than it appeared on the transcripts, then what you heard is controlling.

<u>INSTRUCTION NO. 27 — Redactions</u>

Among the exhibits received in evidence, there are some documents that are redacted. "Redacted" means that part of the document was taken out. You are to concern yourself only with the part of the document that has been admitted into evidence. You should not consider any possible reason why the other part of it has been redacted.

<u>INSTRUCTION NO. 28 — Other Persons Not on Trial</u>

In addition to the evidence about the involvement of accomplices who testified at trial, you have also heard evidence about the involvement of certain other people in the crimes charged in the indictment. You may not draw any inference, favorable or unfavorable, towards the government or the defendant from the fact that certain persons are not on trial before you. That these other individuals are not on trial before you is not your concern. You should neither speculate as to the reason these other people are not on trial before you, nor allow their absence to influence in any way your deliberations in this case. Nor should you draw any inference from the fact that any other person is not present at this trial.

Your concern is solely the defendant on trial before you. The possible guilt of others is no defense to a criminal charge. You must only consider whether the government has proven this defendant guilty. The fact that other individuals are not on trial before you should not control or influence in any way your verdict with reference to the defendant.

INSTRUCTION NO. 29 — Summary of Charges

The defendant Braden John Karony is charged in an indictment. As I instructed you at the outset of this case, an indictment is a charge or accusation. The indictment is merely a statement of charges and is not evidence. The indictment in this case contains three counts on which you will be called to render a verdict.

Count One charges the defendant with participating in a conspiracy to commit securities fraud, in violation of Title 18, United States Code, Section 371.

Count Two charges the defendant with participating in a conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1349.

Count Three charges the defendant with participating in a money laundering conspiracy, in violation of Title 18, United States Code, Section 1956(h).

I will now explain to you the law that applies to each of the counts in the indictment.

INSTRUCTION NO. 30 — Knowingly, Willfully, Intentionally

During these instructions you will hear me use the terms "knowingly," "willfully," and "intentionally." I will therefore define these terms.

A. Knowingly

To act "knowingly" means to act intentionally and voluntarily, and not because of ignorance, mistake, accident, or carelessness. Whether the defendant acted knowingly may be proven by his conduct and by all of the facts and circumstances surrounding the case.

B. Willfully

To act " willfully" means to act voluntarily and with a wrongful purpose; that is, with awareness that the defendant was doing a wrongful act. The defendant's conduct is not "willful" if it was due to negligence, inadvertence, or mistake.

C. Intentionally

To act "intentionally" means to act deliberately and purposefully. That is, the defendant's acts must have been the product of his conscious objective, rather than the product of a mistake or accident.

Whether a person acted knowingly, willfully, or intentionally is a question of fact for you to determine, like any other fact question. Direct proof of knowledge and criminal intent is almost never available. It would be a rare case where it could be shown that a person wrote or stated that as of a given time in the past he committed an act with criminal intent. Such direct proof is not required. The ultimate facts of knowledge and criminal intent, though subjective, may be established by circumstantial evidence, based upon a person's outward manifestations, his words, his conduct, his acts and all the surrounding circumstances disclosed by the evidence and the rational or logical inferences that may be drawn therefrom. In either case, the essential elements of the crime charged must be established beyond a reasonable doubt.

INSTRUCTION NO. 31 — Conspiracy Generally

I will instruct you first on conspiracy. As I mentioned at the outset, the indictment in this case contains three conspiracy counts: (1) conspiracy to commit securities fraud, (2) conspiracy to commit wire fraud and (3) conspiracy to commit money laundering.

A conspiracy is a kind of criminal partnership, at the heart of which is an agreement or understanding by two or more persons to accomplish some unlawful purpose.

A conspiracy to commit a crime is an entirely separate and different offense from the underlying crime that the conspirators intended to commit, which the law refers to as a "substantive crime." A conspiracy is in and of itself a crime. If a conspiracy exists, it is still punishable as a crime, even if it should fail to achieve its purpose or even if it was impossible for the conspirators to carry out their plan successfully. In other words, you may find the defendant guilty of the crime of conspiracy even though the substantive crime that was the object of the conspiracy was not actually committed. The defendant in this case is not charged with any of the substantive crimes, only the conspiracy to commit those crimes.

INSTRUCTION NO. 32 — Count One: Conspiracy to Commit Securities Fraud

Count One of the indictment charges the defendant Braden John Karony with conspiracy to commit securities fraud as follows:

> In or about and between March 2021 and June 2022, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant[] BRADEN JOHN KARONY, also known as "John Karony" and "CPT_HODL_T_MUN," together with others, did knowingly and willfully conspire to use and employ manipulative and deceptive devices and contrivances, contrary to Rule 10b-5 of the Rules and Regulations of the United States Securities and Exchange Commission, Title 17, Code of Federal Regulations, Section 240.10b-5, by: (i) employing one or more devices, schemes and artifices to defraud; (ii) making one or more untrue statements of material fact and omitting to state one or more material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (iii) engaging in one or more acts, practices and courses of business which would and did operate as a fraud and deceit upon one or more investors and potential investors in the digital [SafeMoon] token SFM, in connection with the purchase and sale of SFM, directly and indirectly, by use of means and instrumentalities of interstate commerce and the mails, contrary to Title 15, United States Code, Sections 78j(b) and 78ff.
>
> In furtherance of the conspiracy and to effect its objects, within the Eastern District of New York and elsewhere, the defendant BRADEN JOHN KARONY, also known as "John Karony" and "CPT_HODL_T_MUN," together with others, did commit and cause of the commission of, among others, the following:

The indictment then lists a series of acts allegedly taken in furtherance of the securities-fraud conspiracy. I will send the indictment back with you, and you will be able to review that list of overt acts yourselves.

A. Elements of Conspiracy to Commit Securities Fraud

To prove the crime of conspiracy to commit securities fraud, the government must prove three elements beyond a reasonable doubt:

First, that two or more persons entered into an agreement to commit securities fraud, a crime I will define for you later in my instructions;

<u>Second</u>, that the defendant knowingly and willfully became a member of the conspiracy; and

<u>Third</u>, that any one of the conspirators — that is, the defendant you are considering or any other member of the conspiracy — knowingly committed at least one overt act in furtherance of the conspiracy during the life of the conspiracy.

1. <u>First Element: Existence of the Agreement</u>

The first element that the government must prove beyond a reasonable doubt for Count One is that two or more persons entered into the charged agreement to commit securities fraud. One person cannot commit a conspiracy alone. Rather, the proof must convince you that at least two persons joined together in a common criminal scheme.

The government need not prove that members of the conspiracy met together or entered into any express or formal agreement. You need not find that the alleged conspirators stated, in words or writing, what the scheme was, its object or purpose, or the means by which the scheme was to be accomplished. It is sufficient to show that the conspirators tacitly came to a mutual understanding, either spoken or unspoken, to accomplish an unlawful act by means of a joint plan or common design.

You may, of course, find that the existence of an agreement between two or more persons to violate the law has been established by direct proof. But since, by its very nature, a conspiracy is characterized by secrecy, direct proof may not be available. The government is not required to prove that the conspirators sat around a table and entered into a solemn contract, orally or in writing, stating that they have formed a conspiracy to violate the law, setting forth details of the plans, the means by which the unlawful project is to be carried out or the part to be played by each conspirator. A conspiracy, by its very nature, is almost invariably secret in both origin and execution.

Therefore, you may infer the existence of a conspiracy from the circumstances of this case and the conduct of the parties involved. In a very real sense, then, in the context of conspiracy cases, actions often speak louder than words. In determining whether an agreement existed here, you may consider the actions and statements of all those you find to be participants in the conspiracy as proof that a common design existed to act together for the accomplishment of the unlawful purpose stated in the indictment.

2. <u>Second Element: Membership in the Conspiracy</u>

The second element the government must prove beyond a reasonable doubt for Count One is that the defendant you are considering knowingly and willfully became a member in the charged conspiracy. I have explained to you what it means to act knowingly and willfully. A person acts knowingly and willfully if he acts voluntarily and with a bad purpose either to disobey or disregard the law, and not because of negligence, inadvertence, or mistake. In other words, did the defendant participate in the conspiracy with knowledge of its unlawful purpose and with the intent to promote and cooperate in any one of its unlawful objectives? Knowledge and willfulness may be inferred from a secretive or irregular manner in which activities are carried out. Whether a defendant acted knowingly may be proven by the defendant's conduct and by all of the facts and circumstances surrounding the case.

In order for a defendant to be deemed a member of a conspiracy, he need not have had a stake in the venture or its outcome. While proof of a financial or other interest in the outcome of a scheme is not essential, if you find that a defendant did have such an interest, it is a factor you may properly consider in determining whether or not the defendant was a member of the conspiracy charged in the indictment.

A defendant's participation in the conspiracy must be established by independent evidence of his own acts or statements, as well as those of the other alleged co-conspirators, and the reasonable inferences that may be drawn from them.

A defendant's knowledge may be inferred from the facts proved. In that connection, I instruct you that, to become a member of the conspiracy, a defendant need not have been apprised of all of the activities of all members of the conspiracy or know the identities of all members of the conspiracy. Moreover, a defendant need not have been fully informed as to all of the details, or the scope, of the conspiracy in order to justify an inference of knowledge on his part. In addition, a defendant need not have joined in all of the conspiracy's unlawful objectives.

In considering whether a defendant participated in a conspiracy, be advised that a conspirator's liability is not measured by the extent or duration of his participation. He need not have joined the conspiracy at the outset, as he need not have been a member of the conspiracy for the entire time of its existence. In addition, each member of the conspiracy may perform separate and distinct acts and may perform them at different times. Some conspirators play major roles, while others play minor parts in the scheme. An equal role is not what the law requires. Even a single act may be sufficient to draw a defendant within the ambit of the conspiracy. The key inquiry is simply whether a defendant joined the conspiracy charged with an awareness of at least some of the basic aims and purposes of the unlawful agreement and with the intent to help it succeed.

A conspiracy, once formed, is presumed to continue until either its objective is accomplished or there is some affirmative act of termination by its members. So, too, once a person is found to be a member of a conspiracy, he or she is presumed to continue membership in the venture until its termination, unless it is shown by some affirmative proof that the person withdrew and disassociated from the conspiracy.

I caution you that mere knowledge or acquiescence, without participation, in the unlawful plan is not sufficient. Moreover, the fact that the acts of a defendant, without knowledge, merely happen to further the purposes or objectives of the conspiracy, does not make the defendant a member. More is required under the law. What is required is that a defendant must have participated with knowledge of at least some of the purposes or objectives of the conspiracy and with the intention of aiding in the accomplishment of those unlawful ends. In sum, a defendant, with an understanding of the unlawful character of the conspiracy, must have intentionally engaged, advised, or assisted in it for the purpose of furthering the illegal undertaking. That defendant thereby becomes a knowing and willing participant in the unlawful agreement — that is to say, a conspirator.

3. Third Element: Overt Act

The third element of conspiracy to commit securities fraud, as charged in Count One of the indictment, is the requirement of an overt act. To sustain its burden of proof with respect to this element, the government must show beyond a reasonable doubt that at least one overt act was committed in furtherance of the conspiracy by at least one of the conspirators — either the defendant you are considering or any other member of the conspiracy. The defendant need not be the person who committed the act because, in the eyes of the law, the act of one member of the conspiracy becomes an act of all of the members of the conspiracy.

As noted previously, Count One of the indictment contains a section that describes certain alleged "overt acts." The government does not need to prove any of the specific overt acts alleged in the indictment. You may find that overt acts were committed that are not alleged in the indictment. Ultimately, the only requirement is that one of the members of the conspiracy — again, not necessarily the defendant — has taken some step or action in furtherance of the conspiracy during the life of that conspiracy.

In other words, the overt act element is a requirement that the agreement went beyond the mere talking stage, the mere agreement stage. The requirement of an overt act is a requirement that some action be taken during the life of the conspiracy by one of the co-conspirators in order to further the unlawful agreement.

You need not reach unanimous agreement on whether a particular overt act was committed in furtherance of the conspiracy; you just need to all agree that at least one overt act was committed in furtherance of the conspiracy charged in Count One.

You should also bear in mind that the overt act, standing alone, may be an innocent, lawful act. Frequently, however, an apparently innocent act loses its harmless character if it is a step in carrying out, promoting, aiding or assisting the conspiratorial scheme. You are therefore instructed that the overt act does not have to be an act that in and of itself is criminal or constitutes an objective of the conspiracy.

INSTRUCTION NO. 33 — Count One: Object of the Conspiracy – Securities Fraud

I will now explain the law of securities fraud, which is alleged to be the object of the conspiracy charged in Count One of the indictment. An object of a conspiracy is the illegal goal or goals the co-conspirators agreed or hoped to achieve. As previously noted, the defendant is not charged with actually committing securities fraud, but rather with conspiring to commit that offense. I therefore describe for you the elements of securities fraud only so you can understand what the government must prove was an objective of the alleged conspiracy.

The elements of securities fraud are:

First, that in connection with the purchase or sale of a security, a defendant did any one of the following:

(a) employ any device, scheme, or artifice to defraud, or

(b) make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or

(c) engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

Second, that a defendant acted willfully, knowingly, and with the intent to defraud; and

Third, that a defendant knowingly used, or caused to be used, any means or instrumentalities of interstate commerce in furtherance of the fraudulent conduct.

A. Security: Defined

Before we get to the elements in more detail, I first must instruct you on the definition of a "security." You must determine if SafeMoon Token qualifies as a security for purposes of the statute. I instruct you that, as a matter of law, an "investment contract" constitutes a security for the purpose of this statute. The question for you to determine is whether SafeMoon Token constituted an investment contract.

An investment contract exists when there is the investment of money in a common enterprise with a reasonable expectation of profits to be derived from the efforts of others. In determining whether something is an investment contract, I instruct you that the analysis is designed to be flexible and capable of adaptation to meet the countless and variable schemes devised by those who seek to use the money of others on the promises of profits. Form should be disregarded for substance and the emphasis should be on the economic realities underlying a transaction.

I will now define additional terms for you to determine whether SafeMoon Token constituted an investment contract.

First, the investment of money. You may find that the "investment of money" is satisfied if SafeMoon Token was purchased or otherwise acquired in exchange for value, whether in the form of real (or fiat) currency, another digital asset, or another type of consideration. To be clear, the investment of money need not take the form of cash; this prong is satisfied if you find that investors gave up "some tangible and definable consideration in return for an interest."

Second, a common enterprise. I instruct you that to satisfy the "common enterprise" requirement there must be "horizontal commonality." Horizontal commonality is the tying of each individual investor's fortunes to the fortunes of the other investors by the pooling of assets, usually combined with the pro-rata distribution of profits.

Third, a reasonable expectation of profits derived from others. In order to determine if this prong is met, ask yourselves whether in the purchase of SafeMoon Token, investors had a reasonable expectation to derive profits — or financial returns — primarily from the efforts of others. You should consider all of the facts and circumstances in making that decision. For example, you may consider whether a purchaser expected to realize a return through appreciation on the asset, such as selling at a gain. Or whether SafeMoon used promotional materials, or otherwise marketed SafeMoon Token, to emphasize opportunities for potential profit. When a promoter, sponsor or other third party provides essential managerial efforts that affect the success of the enterprise, and investors reasonably expect to derive profit from those efforts, then this prong of the test is met.

If you determine that SafeMoon Token is a security, then you next need to determine if the defendant engaged in a conspiracy to commit securities fraud. Securities fraud, which is the object of the conspiracy, has three elements. I will explain each of those elements in more detail now.

B. First Element: Fraudulent Act

The first element of securities fraud is that, in connection with the purchase or sale of securities, a defendant did one or more of the following:

(a) Employed any device, scheme, or artifice to defraud, or

(b) Made any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or

(c) Engaged in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

To establish this element, it is not necessary for the government to establish all three types of unlawful conduct in connection with the purchase or sale of securities; any one will suffice. But you must be unanimous as to at least one type of unlawful conduct.

1. Device, Scheme or Artifice to Defraud

For the purposes of securities fraud, a device, scheme or artifice to defraud is a plan to accomplish a fraud. "Fraud" is a general term that embraces all efforts and means that individuals devise to take advantage of others. The law that the defendant is alleged to have conspired to violate prohibits all kinds of manipulative and deceptive acts. The fraudulent or deceitful conduct alleged need not relate to the investment value of the securities involved in this case.

2. <u>False Statements and Omissions</u>

The scheme to defraud in this case is alleged to have been carried out by making false or fraudulent statements or representations. A representation or statement is fraudulent if it is untrue when made or repeated, and was then known to be untrue by the person making it, repeating it, or causing it to be made. Half-truths, the concealment or omission of material facts, or the expression of an opinion not honestly entertained — that is, not honestly believed by the person expressing the opinion — may also constitute false or fraudulent statements under the statute. While the securities laws do not create an affirmative duty to disclose any and all information, the omission or concealment of information may be actionable if what is omitted makes the defendant's statements deliberately misleading.

The deception does not have to be premised upon spoken or written words alone. A false or fraudulent representation need not take any specific form. It may be by words or conduct. The arrangement of the words or the circumstances in which they are used may convey a false and deceptive appearance.

3. <u>"In Connection With"</u>

The "in connection with" aspect of this element requires some nexus or relation between allegedly fraudulent conduct and the purchase or sale of a security. Fraudulent conduct may be "in connection with" the purchase or sale of a security if the alleged fraudulent conduct "touched upon" a securities transaction.

It is no defense to a substantive scheme to defraud that a defendant may not have been involved in the scheme from its inception or may have played only a minor role with no contact with the investors and purchasers of the securities in question. Nor is it necessary to find that the defendant was the actual seller or offeror of the securities. It is sufficient if the defendant participated in the scheme or fraudulent conduct that involved the purchase or sale of securities. By the same token, the defendant need not have personally made the misrepresentation or omitted the material fact; it is sufficient if the defendant caused the statement to be made or the fact to be omitted.

4. Material Fact

The fact misstated or omitted must also have been "material" under the circumstances. A fact is material if there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision. A material fact need not be outcome determinative, nor need it be the most important fact to an investor. Rather, a fact is material if it is one important fact out of many making up the total mix of information available. However, a statement is not material when it is merely one of vague, generalized, or exaggerated opinion.

If a defendant made a material misrepresentation or omitted a material fact when there was a duty to disclose, it does not matter whether the intended victims were gullible buyers or sophisticated investors, because the securities laws protect the gullible and unsophisticated as well as the experienced investor. The government need not prove that the misrepresentation would have deceived a person of ordinary intelligence.

The government does not have to prove whether the alleged unlawful conduct was or would have been successful, or whether the defendant profited or received any benefit because of the alleged scheme. Success is not an element of the offense.

The government need not prove that the victims acted reasonably or relied on the false or fraudulent statements or representations that are alleged. The law does not impose any duty on victims to detect the fraud, and a victim's negligence in failing to discover a fraudulent scheme therefore is not a defense to criminal conduct.

C. Second Element: Knowingly, Willfully and With Intent to Defraud

The second element of substantive securities fraud, the object of the conspiracy charged in Count One, is that a defendant acted "knowingly," "willfully," and with the "intent to defraud."

I have already defined "knowingly" and "willfully" for you in Instruction No. 30, and I refer you to those earlier definitions.

For the purposes of securities fraud, "intent to defraud" means to act knowingly and with intent to deceive. The question of whether a person acted knowingly, willfully, and with intent to defraud is a question of fact for you to determine, like any other fact in question.

Since an essential element of the crime charged is intent to defraud, it follows that good faith on the part of a defendant is a complete defense to a charge of securities fraud. Under the anti-fraud statutes, an honest belief in the truth of the representations made by a defendant is a complete defense, however inaccurate the statements may turn out to be. A defendant, however, has no burden to establish a defense of good faith. The burden is on the government to prove fraudulent intent and consequent lack of good faith beyond a reasonable doubt.

In considering whether or not a defendant acted in good faith, you are instructed that a belief by the defendant, if such belief existed, that ultimately everything would work out so that no investors would lose any money does not require a finding by you that the defendant acted in good faith. No amount of honest belief on the part of a defendant that the scheme ultimately will make a profit for the investors will excuse fraudulent actions or false representations by him.

The government may prove that the defendant acted knowingly in either of two ways. First, it is sufficient, of course, if the evidence satisfies you beyond a reasonable doubt that the defendant actually believed the statements he made, caused to be made, or conspired to be made, were false or misleading. Alternatively, the defendant's knowledge may be established by proof that the defendant was aware of a high probability that the statement was false, unless, despite this high probability, the facts show that the defendant actually believed the statement to be true.

Knowledge may be found from circumstances that would convince an average, ordinary person. Thus, you may find that the defendant believed that a statement was false if you conclude beyond a reasonable doubt that he made it with deliberate disregard of whether it was true or false and with a conscious purpose to avoid learning the truth. If you find that the defendant acted with deliberate disregard for the truth, the knowledge requirement would be satisfied unless the defendant actually believed the statement to be true. This guilty knowledge, however, cannot be established by demonstrating mere negligence or foolishness on the part of the defendant.

As a practical matter, then, to prove the charge against a defendant, the government must establish beyond a reasonable doubt that the defendant knew that his conduct as a participant in the scheme was calculated to deceive and, nonetheless, he associated himself with the alleged fraudulent scheme.

D. <u>Third Element: Instrumentality of Interstate Commerce</u>

The third and final element of substantive securities fraud is that a defendant knowingly used, or caused to be used, the mails or any means or instrumentalities of transportation or communication in interstate commerce in furtherance of the scheme to defraud. You are instructed that interstate or international travel, the use of the Internet, bank wire transfers, telephone, text messages, or emails that traveled across state lines are all "instrumentalities of interstate commerce."

It is not necessary that a defendant be directly or personally involved in any mailing, wire, or use of an instrumentality of interstate commerce. If the defendant was an active participant in the scheme and took steps or engaged in conduct which he knew or reasonably could foresee would naturally and probably result in the use of interstate means of communication, then you may find that he caused the mails or an instrumentality of interstate commerce to be used.

When one does an act with the knowledge that the use of interstate means of communication will follow in the ordinary course of business, or where such use reasonably can be foreseen, even though not actually intended, then he causes such means to be used.

It is not necessary that the items sent through interstate means of communication contain the fraudulent material, or anything criminal or objectionable. The interstate means of communication may be entirely innocent.

The use of interstate communications need not be central to the execution of the scheme, and may even be incidental to it. All that is required is that the use of the interstate communications bear some relation to the object of the scheme or fraudulent conduct. In fact, the actual offer or sale need not be accomplished by the use of interstate communications, so long as the defendant is still engaged in actions that are a part of the fraudulent scheme when interstate communications are used.

E. <u>Domestic and Extraterritorial Transactions: Defined</u>

Finally, you must determine whether the conspiracy alleged in Count One had a sufficient relationship to the United States. The government may demonstrate such a relationship in three ways. You do not need to find that the government satisfied all three of these alternatives. One is enough.

1. Domestic Transactions

First, the government can show that the conspiracy in which the defendant knowingly and intentionally joined contemplated transactions in the United States. A transaction occurs in the United States when it becomes "irrevocable" within the United States. A transaction becomes "irrevocable" once the parties have committed to completing the transaction, and / or when they have formed a contract to complete the transaction. With respect to a digital asset like SafeMoon Token, you may find that a contemplated transaction became irrevocable when (1) the computer servers that matched buyer and seller were located within the jurisdiction of the United States, or (2) buyers placed their orders, and sent payment, from the United States without the ability to later back out of the transaction.

2. Covered Extraterritorial Transactions

Second, the government may show that the conspiracy contemplated conduct in furtherance of the conspiracy that would occur in the United States, even if the contemplated transactions themselves occurred outside the United States. The conduct at issue must constitute a significant step in furtherance of the conspiracy and must be more than incidental to the scheme.

Third, the government may show that it was reasonably foreseeable to the defendant that conduct occurring outside the United States would have a substantial effect within the United States. In considering whether it was reasonably foreseeable that the conspiracy would have a substantial effect within the United States, you should consider whether the conspiracy had or would have had a meaningful or consequential effect on purchasers of SafeMoon Token in the United States, rather than any incidental or indirect effects.

INSTRUCTION NO. 34 — Count Two: Conspiracy to Commit Wire Fraud

Count Two of the indictment charges the defendant Braden John Karony with conspiracy to commit wire fraud as follows:

> In or about and between March 2021 and June 2022, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant BRADEN JOHN KARONY, also known as "John Karony" and "CPT_HODL_T_MUN," together with others, did knowingly and intentionally conspire to devise a scheme and artifice to defraud current and prospective investors in SFM, a digital token, and to obtain money and property from them by means of one or more materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures and sounds, contrary to Title 18, United States Code, Section 1343.

The government must prove only the following two elements beyond a reasonable doubt:

First, that two or more persons entered into an agreement to commit wire fraud; and

Second, that the defendant knowingly and intentionally became a member of the conspiracy.

I already explained these elements in Instruction Nos. 31 and 32.A. However, note that the overt act element on which I instructed you in Instruction 32.A.3, which applies to conspiracy to commit securities fraud, does not apply to Count Two, which charges conspiracy to commit wire fraud.

INSTRUCTION NO. 35 — Count Two: Object of the Conspiracy – Wire Fraud

I will now explain the law of wire fraud, which is alleged to be the object of the conspiracy charged in Count Two of the indictment. Remember, the defendant is not charged with actually committing wire fraud, but rather with conspiring to commit wire fraud. I therefore describe for you the elements of wire fraud only so you can understand what the government must prove was an objective of the conspiracy.

The elements of wire fraud are as follows:

First, there was a scheme or artifice to defraud or to obtain money or property by materially false and fraudulent pretenses, representations or promises.

Second, that a defendant knowingly participated in the scheme or artifice to defraud with knowledge of its fraudulent nature and with specific intent to defraud.

Third, that in execution or in furtherance of that scheme a defendant used or caused to be used interstate or foreign wires as specified in the indictment.

I will now explain each of these elements further.

A. First Element — Scheme to Defraud

The first element is the existence of a scheme or artifice to defraud. A scheme to defraud is merely a plan to deprive another of money or property by trick, deceit, deception, swindle, or false pretenses. The scheme to defraud must target money or property.

Here, the scheme to defraud is alleged to have been carried out by making false or fraudulent statements or representations. I already explained when a statement is false or fraudulent in Instruction No. 33.B.2, and that same standard applies here.

As with Count One, it does not matter whether the alleged unlawful conduct was successful or not. Success is not an element of wire fraud.

Only a scheme to defraud and not actual fraud must be proved as an object of the charged conspiracy. It is not necessary for the government to prove each and every misrepresentation or false promise that the government alleges in the indictment. It is sufficient that the government proves beyond a reasonable doubt that one or more material misrepresentations were agreed upon in furtherance of the scheme to defraud.

A scheme to defraud need not be shown by direct evidence, but may be established by all of the circumstances and facts in the case.

B. Second Element — Intent to Defraud

The second element that the government must prove beyond a reasonable doubt is that the defendant participated in the scheme to defraud knowingly, intentionally, and with the specific intent to defraud. I have already told you what it means to act knowingly and intentionally in Instruction No. 30. Those same definitions apply here.

To act with a "specific intent to defraud" goes further. For the purposes of the wire fraud statute, a "specific intent to defraud" means to act knowingly and with specific intent to deceive for the purpose of depriving another person of money or property. How someone acted — his state of mind — is a question for you to determine. Direct proof of knowledge and fraudulent intent is not always available and it is not required. The ultimate facts of knowledge and criminal intent may be established by circumstantial evidence, which I explained to you in Instruction No. 24. Circumstantial evidence, if believed, is of no less value than direct evidence.

As with securities fraud, good faith on the part of the defendant is a complete defense to the charge of wire fraud. But the belief that everything would ultimately work out and that no one would lose any money is not a defense, if you find that the defendant has obtained money or property by fraud as defined herein. In this respect, I reiterate that "a specific intent to defraud" for the purposes of the wire fraud statute means to act knowingly and with specific intent to deceive for the purpose of depriving another person of money or property. It is not necessary that a defendant or his alleged co-conspirators actually realized any gain from a scheme, or that the intended victim actually suffered any loss.

In sum, in order to sustain a charge of wire fraud, the government must establish beyond a reasonable doubt that the defendant knew that his conduct as a participant in the scheme was calculated to deceive and nevertheless, he associated himself with the alleged fraudulent scheme for the purpose of depriving somebody of their money or property.

C. <u>Third Element — Use of Interstate Wires</u>

The third and final element is the use of interstate wires in furtherance of the scheme to defraud. The wire communication must pass between two or more states, or it must pass between the United States and a foreign country.

A wire communication includes a wire transfer of funds between banks in different states, and telephone calls, text messages, emails, transmission of information over the Internet, and facsimiles between two different states. The use of the wires need not itself be a fraudulent misrepresentation. It must, however, further or assist in the carrying out of the scheme to defraud.

It is not necessary for a defendant to be directly or personally involved in the wire communication, as long as the communication was reasonably foreseeable in the execution of the alleged scheme to defraud. This does not mean that the defendant must specifically have authorized others to make the call, wire the money or send the email. When one does an act with knowledge that the use of the wires will follow in the ordinary course of business, or where such use of the wires reasonably can be foreseen, even though not actually intended, then the defendant causes the wires to be used.

INSTRUCTION NO. 36 — Count Three: Money Laundering Conspiracy

Count Three of the indictment charges the defendant Braden John Karony with conspiracy to commit money laundering. It reads:

> In or about and between March 2021 and June 2022, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant BRADEN JOHN KARONY, also known as "John Karony" and "CPT_HODL_T_MUN," together with others, did knowingly and intentionally conspire to conduct one or more financial transactions in and affecting interstate and foreign commerce, to wit: the transfer and delivery of United States currency, which transactions in fact involved the proceeds of specified unlawful activity, to wit: one or more offenses involving fraud in the sale of securities, in violation of Title 15, United States Code, Sections 78j(b) and 78ff, and wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the property involved in such transactions represented the proceeds of some form of unlawful activity and (a) knowing that the financial transactions were designed in whole and in part to conceal and disguise the nature, the location, the source, the ownership and the control of the proceeds of specified unlawful activity, contrary to Title 18, United States Code, Section 1956(a)(1)(B)(i).

A. Elements of Conspiracy to Commit Money Laundering

To prove the crime of conspiracy to commit money laundering, the government must prove two elements beyond a reasonable doubt:

First, the existence of the conspiracy charged, that is, an agreement or understanding to commit money laundering; and

Second, that the defendant knowingly and intentionally became a member of that conspiracy.

I instructed you regarding these two elements in Instruction Nos. 31, 32.A, and 34. Those same instructions apply here.

As with Count Two, there are only two elements of Count Three. In other words, for this conspiracy count, unlike the conspiracy charged in Count One, you need not find that an overt act was committed by anyone in furtherance of the conspiracy.

INSTRUCTION NO. 37 — Count Three: Object of the Money Laundering Conspiracy

The indictment alleges one object of the conspiracy charged in Count Three — that is, that the defendant agreed to commit money laundering by engaging in financial transactions that involved the proceeds of securities fraud or wire fraud to conceal or disguise the nature, location, source, ownership or control of the proceeds of the securities fraud or wire fraud, in violation of 18 U.S.C. § 1956(a)(1)(B)(i).

As with Counts One and Two, the defendant is not charged with committing the substantive money laundering crime that is the object of the conspiracy. He is charged with conspiring to do so.

I will now explain the elements of the object of the conspiracy charged in Count Three so you can understand what the government must prove beyond a reasonable doubt was an object of the conspiracy.

A. Object of the Money Laundering Conspiracy

The object of the money laundering conspiracy charged in Count Three of the indictment is knowing transportation of funds or monetary instruments to conceal or disguise the origin of the property.

The relevant statute on this subject is Title 18, United States Code, Section 1956(a)(1)(B)(i), which reads as follows:

> Whoever, knowing that the property involved in a financial transaction represents the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involves the proceeds of specified unlawful activity . . . knowing that the transaction is designed in whole or in part . . .
>
> * * *
>
> to conceal or disguise the nature, the location, the source, the ownership, or the control of the proceeds of specified unlawful activity[.]

The elements of a violation of this statute are as follows.

First, that the defendant conducted (or attempted to conduct) a "financial transaction," which must in some way or degree have affected interstate or foreign commerce;

Second, that the financial transaction at issue involved the proceeds of one or more certain other crimes, known as specified unlawful activity, which here was securities fraud or wire fraud;

Third, that the defendant knew that the financial transaction involved the proceeds of some form of unlawful activity; and

Fourth, that the defendant knew that the transaction was designed in whole or in part either to conceal or disguise the nature, location, source, ownership or control of the proceeds of the unlawful activity.

I will explain each of those elements to you in more detail now.

1. First Element – Conducting a Financial Transaction

The first element is that the defendant conducted a financial transaction.

The term "conducts" includes the action of initiating, concluding, or participating in initiating or concluding a transaction.

The term "financial transaction" means (1) a transaction which involves the movement of funds by wire or other means and in any way or degree affects interstate or foreign commerce, or (2) a transaction involving a financial institution — including a bank — which is engaged in, or the activities of which affect, interstate or foreign commerce in any way or degree.

A "transaction involving a financial institution" includes a deposit, withdrawal, transfer between accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock, or any other payment, transfer, or delivery by, through or to a financial institution by whatever means.

The term "funds" includes any currency, money, or other medium of exchange that can be used to pay for goods and services, including digital or cryptocurrency.

Interstate commerce includes any transmission or transfer between persons or entities located in different states, and foreign commerce means the same thing, except it is between a person or entity in the United States and a person or entity in a foreign country. The involvement in interstate or foreign commerce can be minimal, and the government satisfies its burden if it proves any effect or involvement, regardless of whether it was beneficial or harmful. It is also not necessary for the government to show that the defendant actually intended or anticipated an effect on interstate or foreign commerce by his actions or that commerce was actually affected. All that is necessary is that the natural and probable consequences of the acts the defendant agreed to take would affect interstate or foreign commerce.

2. Second Element – Property Involved Was the Proceeds of Specified Unlawful Activity

The second element is that the financial transactions must involve the proceeds of "specified unlawful activity." I instruct you that, as a matter of law, the term "specified unlawful activity" includes violations of the securities fraud and wire fraud statutes. I have already instructed you on the elements of those statutes in Instruction Nos. 33 and 35, and you should apply those instructions here.

The term "proceeds" means any property, or any interest in property, that someone acquires or retains as profits resulting from the commission of the specified unlawful activity.

3. Third Element – Knowledge of the Unlawful Purpose of the Transfer

The third element is that the defendant knew that the financial transactions at issue involved the proceeds of some form, though not necessarily which form, of unlawful activity. Keep in mind that it is not necessary for the defendant to know that the proceeds came from the securities fraud or wire fraud, or from any other specific offense, or even that the defendant personally participated in the securities fraud or wire fraud. It is sufficient that the defendant believed that the proceeds would come from some form of unlawful activity.

4. Fourth Element – Purpose of the Transaction

The fourth element is that the defendant agreed to conduct financial transactions with knowledge that the transactions were designed in whole or in part to conceal or disguise the nature, location, source, ownership, or control of the proceeds of the specified unlawful activity, that is, the securities fraud or wire fraud. Conduct that is sufficient to establish an intent to conceal includes, but is not limited to, engaging in convoluted financial transactions, inter-company transfers with no clear purpose, transactions consummated with unusual secrecy, depositing ill-gotten funds into another's bank accounts, using interest-free loans, and using third parties' names to conceal the real owner of the relevant funds. Intent to disguise or conceal the true origin of the property need not be the sole motivating factor for the transactions, and the government need not prove with regard to any single transaction that the defendant removed all trace of his involvement with the money or property.

Finally, the government need not prove that the intent to conceal or disguise, or to avoid the transaction reporting requirement, was the only or even primary purpose of the defendant, as long as it was an intent of the defendant.

INSTRUCTION NO. 38 — Conscious Avoidance

As I explained, for purposes of Counts One, Two and Three, the government is required to prove that the defendant knowingly and intentionally became a member of the conspiracy, and that the object of the conspiracy in Count One was securities fraud, in Count Two was wire fraud, and in Count Three was money laundering. In determining whether the defendant acted knowingly with respect to the object or objects of the conspiracy, you may consider whether the defendant deliberately closed his eyes to what would otherwise have been obvious to him.

If you find beyond a reasonable doubt that the defendant was aware that there was a high probability that his co-conspirators' objective was to violate the law as charged in Counts One, Two and Three, but that the defendant deliberately avoided confirming this fact, you may treat this deliberate avoidance of positive knowledge as the equivalent of knowledge of the object of the charged conspiracy. However, if you find that the defendant actually believed that he or his co-conspirators were acting with a lawful purpose with regard to any of the charged counts, he may not be convicted of that count.

Moreover, guilty knowledge may not be established by demonstrating that the defendant was merely negligent, foolish, or mistaken. There is a difference between knowingly participating in the conspiracy and knowing the objects of the conspiracy. "Conscious avoidance" or "willful blindness" as I have described it cannot be used as a basis for finding that the defendant knowingly joined the conspiracy. It is logically impossible for a defendant to join the conspiracy unless he or she knows the fact that the conspiracy exists.

However, if you find beyond a reasonable doubt that the defendant chose to participate in a joint undertaking, you may consider whether the defendant deliberately avoided confirming an otherwise obvious fact: that the purpose of the partnership he joined was to violate the law.

<u>INSTRUCTION NO. 39 — Venue</u>

Venue refers to the location of the charged crime. The indictment alleges that the crimes charged occurred in part in this judicial district, which is the Eastern District of New York. This district encompasses the boroughs of Brooklyn, Queens, and Staten Island, as well as Nassau and Suffolk Counties on Long Island, and the waters within New York County and Bronx County, which includes the waters surrounding the island of Manhattan that separate Manhattan from the other boroughs of New York City and from the State of New Jersey, as well as the air space above the district or the waters in the district.

To establish that venue for a charged crime is appropriate in this district, the government must prove that some act in furtherance of the conspiracy occurred here, in the Eastern District of New York. This means that with respect to each conspiracy charged, even if other acts were committed outside this district or if the crime was completed elsewhere, venue is established in the Eastern District of New York so long as some act in furtherance of the conspiracy took place in this district. Indeed, the defendant need not ever have been personally present in the district for venue to be proper. Venue turns on whether any part of the crime or any act in furtherance of the offense was committed in the district. Venue is proper in a district where the defendant intentionally or knowingly causes an act in furtherance of the charged offense to occur or where it is foreseeable that such an act would occur in the district. In a conspiracy, such as those charged here, actions of co-conspirators, as well as actions caused by co-conspirators, may be sufficient to confer venue if it was reasonably foreseeable to the defendant that the acts would occur in the Eastern District of New York.

In determining whether some act in furtherance of the crime you are considering occurred in the Eastern District of New York, you may consider a number of things. Venue can be conferred based on physical presence or conduct, and passing through a district, including through or over waters, is sufficient to confer venue. Venue can be based on using airports within the district to attend meetings with investors, if the meetings were in furtherance of the conspiracy. Venue can also be based on electronic impulses or communications — including email communications, telephone calls, and electronic transfers of funds such as banking transfers — going to, coming from, or passing through a district. The government need not prove all of these bases of venue; any one is sufficient.

While the government's burden as to everything else in the case is proof beyond a reasonable doubt, a standard that I have already explained to you in Instruction No. 5, the government must prove venue by the lesser standard of preponderance of the evidence. To establish a fact by a preponderance of the evidence means to prove that the fact is more likely true than not. A preponderance of the evidence means the greater weight of the evidence, both direct and circumstantial.

INSTRUCTION NO. 40 — Selection of a Foreperson

You are about to go into the jury room and begin your deliberations. When you get into the jury room, before you begin your deliberations, you should select someone to be the foreperson, typically juror #1. The foreperson will be responsible for signing all communications to the court and for handing them to the marshal during your deliberations.

<u>INSTRUCTION NO. 41 — Right to See Exhibits and Testimony</u>

If during your deliberations you want to see any of the exhibits, they will be sent to you in the jury room upon request. If you want to read excerpts of the testimony, that can also be sent to you upon request. But, please remember that it is not always easy to locate what you might want, so be as specific as you possibly can in requesting exhibits or portions of testimony that you may want.

Your requests for exhibits or testimony — in fact, any communication with the court — should be made to me in writing, signed by your foreperson, and given to one of the marshals. I will respond to any questions or requests you have as promptly as possible, either in writing or by having you return to the courtroom so I can speak with you in person. In any event, do not tell me or anyone else how the jury stands on the issue of the defendant's guilt until after a unanimous verdict is reached.

I am sending a copy of the indictment into the jury room for you to have during your deliberations. You may use it to read the crimes that the defendant is charged with committing. You are reminded, however, that an indictment is merely an accusation and is not to be used by you as any proof of the conduct charged.

I will also provide you with a copy of these instructions.

INSTRUCTION NO. 42 — Deliberations

You will now retire to decide the case. Your function is to weigh the evidence and to determine the guilt or lack of guilt of the defendant with respect to the charges in the indictment. You must base your verdict solely on the evidence and these instructions as to the law, and you are obliged on your oath as jurors to follow the law as I instruct you, whether you agree or disagree with the particular law in question.

I instruct you that you are not to discuss the case unless all jurors are present. Four or five or ten jurors together are only a gathering of individuals. Only when all jurors are present do you constitute a jury, and only then may you deliberate.

Remember at all times, you are not partisans. You are judges — judges of the facts. Your sole interest is to assess the evidence impartially to determine whether the government has met its burden of proving guilt beyond a reasonable doubt as to each of the charges.

You are entitled to your own opinions, but you should exchange views with your fellow jurors and listen carefully to each other. That is the nature of the deliberative process. Do not hesitate to change your opinion if you are convinced that another opinion is correct. But each of you must make your own decision.

INSTRUCTION NO. 43 — Unanimity

The government, to prevail, must prove the essential elements of each count — which I have defined for you just a moment ago — by the required burden of proof, as I have already explained. If it succeeds on a given count, your verdict should be guilty; if it fails, your verdict should be not guilty. To report a verdict, it must be unanimous.

Your function is to weigh the evidence in the case and determine whether or not the defendant is guilty on each count, solely upon the basis of such evidence.

Each juror is entitled to his or her opinion; each should, however, exchange views with his or her fellow jurors. That is the very purpose of jury deliberation — to discuss and consider the evidence; to listen to the arguments of fellow jurors; to present your individual views; to consult with one another; and to reach an agreement based solely and wholly on the evidence — if you can do so without violence to your own individual judgment.

Each of you must decide the case for yourself, after consideration, with your fellow jurors, of the evidence in the case.

But you should not hesitate to change an opinion that, after discussion with your fellow jurors, appears erroneous.

However, if, after carefully considering all the evidence and the arguments of your fellow jurors, you entertain a conscientious view that differs from the others, you are not to yield your conviction simply because you are outnumbered.

Your final vote must reflect your conscientious conviction as to how the issues should be decided. Your verdict, whether guilty or not guilty, must be unanimous.

If you are divided on any count, do not report how the vote stands. Simply state that you are divided. If you have reached a verdict, do not report what it is until you are asked in open court. Simply inform me that you have reached a verdict.

EXHIBIT 5

EXHIBIT B

CERTIFICATION PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Benjamin Northey, hereby certify that the following is true and correct to the best of my knowledge, information and belief:

1. I have reviewed the Complaint in this matter and authorize Scott+Scott Attorneys at Law LLP to file lead plaintiff papers on my behalf.

2. I am willing to serve as a representative party on behalf of those who purchased or otherwise acquired unregistered SafeMoon token securities during the Class Period (as defined in the Complaint), including providing testimony at deposition and trial, if necessary.

3. During the Class Period, I purchased and/or sold the security that is the subject of the Complaint, as set forth in the Attached **Schedule A.**

4. I did not engage in the foregoing transactions at the direction of counsel nor in order to participate in any private action arising under the Securities Act of 1933 or Securities Exchange Act of 1934.

5. I have not sought to serve as a representative party on behalf of a class in the 3-year period preceding the date on which this certification is signed.

6. I will not accept any payment for serving as a representative party on behalf of the Class beyond the *pro rata* share of any recovery, except for such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Carlisle, PA on 5/9/2022, 2022.
(City, State)

DocuSigned by:
Benjamin Northey
81714BCE86F7494...

Benjamin Northey

SCHEDULE A OF TRANSACTIONS

Date	Transaction	Amount	Price	Dollar Estimate[1]	Fee
4/17/2021	Buy	162,836,709	$0.00000269	$438.03	$44.90
4/17/2021	Buy	282,552,514	$0.00000269	$760.07	$77.91
4/17/2021	Buy	53,881,828	$0.00000269	$144.94	$14.86
4/17/2021	Buy	38,748,684	$0.00000269	$104.23	$10.68
4/17/2021	Buy	43,949,742	$0.00000269	$118.22	$12.12
4/17/2021	Buy	6,826,812	$0.00000269	$18.36	$1.88
4/17/2021	Buy	70,117,187	$0.00000269	$188.62	$19.33
4/17/2021	Buy	12,000,000	$0.00000269	$32.28	$3.31
4/17/2021	Buy	497,869,064	$0.00000269	$1,339.27	$137.27
4/18/2021	Buy	1,722,949,336	$0.00000270	$4,651.96	$476.83
4/18/2021	Buy	108,268,124	$0.00000270	$292.32	$29.96
4/18/2021	Buy	1,000,000,000	$0.00000276	$2,760.00	$282.90
4/18/2021	Buy	413,812,828	$0.00000267	$1,104.88	$113.25
4/20/2021	Sell	12,012,493	$0.00000790	$94.90	$9.73
4/20/2021	Sell	681,645	$0.00000790	$5.38	$0.55
4/20/2021	Sell	2,060,239	$0.00000790	$16.28	$1.67
4/20/2021	Sell	8,747,784	$0.00000790	$69.11	$7.08
4/20/2021	Sell	23,529,011	$0.00000790	$185.88	$19.05
4/20/2021	Sell	9,770,253	$0.00000790	$77.18	$7.91
4/20/2021	Sell	2,274,476	$0.00000790	$17.97	$1.84
4/20/2021	Sell	585,390	$0.00000790	$4.62	$0.47
4/20/2021	Sell	133,232,206	$0.00000790	$1,052.53	$107.88
4/20/2021	Sell	134,284,177	$0.00000790	$1,060.84	$108.74
4/20/2021	Sell	22,947,910	$0.00000790	$181.29	$18.58
4/20/2021	Sell	4,430,696	$0.00000790	$35.00	$3.59
4/20/2021	Sell	7,952,531	$0.00000790	$62.82	$6.44
4/20/2021	Sell	551,304,017	$0.00000790	$4,355.30	$446.42
4/21/2021	Buy	155,469,149	$0.00000400	$621.88	$63.74
4/21/2021	Buy	208,024,832	$0.00000400	$832.10	$85.29
4/21/2021	Buy	9,000,000	$0.00000400	$36.00	$3.69
4/21/2021	Buy	21,252,861	$0.00000400	$85.01	$8.71
4/21/2021	Buy	162,899,839	$0.00000400	$651.60	$66.79
4/21/2021	Buy	9,999,999	$0.00000400	$40.00	$4.10
4/21/2021	Buy	120,733,699	$0.00000400	$482.93	$49.50

[1] Unless otherwise noted, Movant's Purchases with made with USDT (United States Dollar Tether) a "stable coin" with a 1-to-1 value compared to USD.

4/21/2021	Buy	26,516,837	$0.00000400	$106.07	$10.87
4/21/2021	Buy	22,100,000	$0.00000400	$88.40	$9.06
4/21/2021	Buy	227,224,313	$0.00000400	$908.90	$93.16
4/21/2021	Buy	27,020,013	$0.00000400	$108.08	$11.08
4/21/2021	Buy	9,999,999	$0.00000400	$40.00	$4.10
4/21/2021	Buy	400,000,000	$0.00000400	$1,600.00	$164.00
4/21/2021	Buy	33,210,121	$0.00000400	$132.84	$13.62
4/21/2021	Buy	63,817,155	$0.00000400	$255.27	$26.17
4/21/2021	Buy	9,999,999	$0.00000400	$40.00	$4.10
4/21/2021	Buy	27,000,009	$0.00000400	$108.00	$11.07
4/21/2021	Buy	9,999,999	$0.00000400	$40.00	$4.10
4/21/2021	Buy	10,782,137	$0.00000400	$43.13	$4.42
4/21/2021	Buy	1,910,268	$0.00000400	$7.64	$0.78
4/22/2021	Buy	366,084,734	$0.00000699	$2,558.93	$262.29
4/22/2021	Buy	1,900,000,000	$0.00000699	$13,281.00	$1,361.30
4/22/2021	Buy	83,513,125	$0.00000699	$583.76	$59.84
4/22/2021	Buy	35,624,212	$0.00000699	$249.01	$25.52
4/22/2021	Buy	2,016,853	$0.00000699	$14.10	$1.45
4/22/2021	Buy	1,000,000	$0.00000699	$6.99	$0.72
4/22/2021	Buy	177,910,102	$0.00000699	$1,243.59	$127.47
4/22/2021	Buy	153,353,863	$0.00000638	$978.40	$100.29
4/22/2021	Buy	1,995,881,247	$0.00000640	$12,773.64	$1,309.30
4/22/2021	Buy	19,013,028	$0.00000640	$121.68	$12.47
4/22/2021	Buy	446,330,581	$0.00000640	$2,856.52	$292.79
5/2/2021	Buy	11,768,931	$0.00000425	$50.02	$5.13
5/2/2021	Buy	71,221,955	$0.00000425	$302.69	$31.03
5/2/2021	Buy	5,000,000	$0.00000425	$21.25	$2.18
5/2/2021	Buy	18,309,223	$0.00000427	$78.18	$8.01
5/2/2021	Buy	69,077,239	$0.00000427	$294.96	$30.23
5/4/2021	Buy	301,553,607	$0.00000475	$1,432.38	$146.82
5/4/2021	Buy	225,000,000	$0.00000476	$1,071.00	$109.78
5/4/2021	Buy	1,811,587	$0.00000476	$8.62	$0.88
5/4/2021	Buy	337,500,000	$0.00000475	$1,603.13	$164.32
5/4/2021	Buy	300,000,000	$0.00000477	$1,431.00	$146.68
5/4/2021	Buy	4,877,630	$0.00000476	$23.22	$2.38
5/4/2021	Buy	2,325,262	$0.00000475	$11.04	$1.13
5/4/2021	Buy	1,110,000	$0.00000477	$5.29	$0.54
5/4/2021	Buy	412,755,592	$0.00000477	$1,968.84	$201.81
5/4/2021	Buy	4,948,621	$0.00000415	$20.54	$2.11
5/4/2021	Buy	8,100,000	$0.00000415	$33.62	$3.45

5/4/2021	Buy	1,302,619	$0.00000415	$5.41	$0.55
5/4/2021	Buy	78,815,019	$0.00000415	$327.08	$33.53
5/4/2021	Buy	18,805,934	$0.00000415	$78.04	$8.00
5/4/2021	Buy	1,526,940,829	$0.00000415	$6,336.80	$649.52
5/4/2021	Buy	1,415,453	$0.00000415	$5.87	$0.60
5/4/2021	Buy	56,093,750	$0.00000415	$232.79	$23.86
5/4/2021	Buy	108,800,028	$0.00000415	$451.52	$46.28
5/4/2021	Buy	142,547,244	$0.00000415	$591.57	$60.64
5/6/2021	Sell	2,910,810	$0.00000740	$21.54	$2.21
5/6/2021	Sell	7,155,743	$0.00000740	$52.95	$5.43
5/6/2021	Sell	1,334,121	$0.00000740	$9.87	$1.01
5/6/2021	Buy	30,408,717	$0.00000720	$218.94	$22.44
5/6/2021	Buy	10,000,000	$0.00000720	$72.00	$7.38
5/6/2021	Buy	23,222,460	$0.00000720	$167.20	$17.14
5/9/2021	Sell	1,982,429	$0.00000996	$19.74	$2.02
5/9/2021	Sell	4,505,522	$0.00000996	$44.87	$4.60
5/9/2021	Sell	22,613,744	$0.00000996	$225.23	$23.09
5/9/2021	Sell	33,333,645	$0.00000996	$332.00	$34.03
5/9/2021	Sell	2,703,313	$0.00000996	$26.92	$2.76
5/9/2021	Sell	10,452,811	$0.00000996	$104.11	$10.67
5/9/2021	Sell	10,903,363	$0.00000996	$108.60	$11.13
5/9/2021	Sell	9,583,082	$0.00000996	$95.45	$9.78
5/9/2021	Sell	4,267,755	$0.00000996	$42.51	$4.36
5/9/2021	Sell	901,104	$0.00000996	$8.97	$0.92
5/9/2021	Sell	991,214	$0.00000996	$9.87	$1.01
5/9/2021	Sell	17,571,536	$0.00000996	$175.01	$17.94
5/9/2021	Sell	744,530	$0.00000996	$7.42	$0.76
5/9/2021	Sell	51,362,951	$0.00000996	$511.57	$52.44
5/9/2021	Sell	4,480,188	$0.00000996	$44.62	$4.57
5/9/2021	Sell	3,964,859	$0.00000996	$39.49	$4.05
5/9/2021	Sell	630,773	$0.00000996	$6.28	$0.64
5/9/2021	Sell	1,531,877	$0.00000996	$15.26	$1.56
5/9/2021	Sell	16,009,888	$0.00000996	$159.46	$16.34
5/9/2021	Sell	18,022,088	$0.00000996	$179.50	$18.40
5/9/2021	Sell	810,993	$0.00000996	$8.08	$0.83
5/9/2021	Sell	4,810,562	$0.00000996	$47.91	$4.91
5/9/2021	Sell	2,703,313	$0.00000996	$26.92	$2.76
5/9/2021	Sell	1,496,734	$0.00000996	$14.91	$1.53
5/9/2021	Sell	997,107	$0.00000996	$9.93	$1.02
5/9/2021	Sell	500,000	$0.00000996	$4.98	$0.51

5/9/2021	Sell	16,760,179	$0.00000996	$166.93	$17.11
5/9/2021	Sell	3,554,028	$0.00000996	$35.40	$3.63
5/9/2021	Sell	736,222	$0.00000996	$7.33	$0.75
5/9/2021	Sell	901,104	$0.00000996	$8.97	$0.92
5/9/2021	Sell	10	$0.00000996	$0.00	$0.00
5/9/2021	Sell	1,802,208	$0.00000996	$17.95	$1.84
5/9/2021	Sell	4,054,969	$0.00000996	$40.39	$4.14
5/9/2021	Sell	19,228,855	$0.00000996	$191.52	$19.63
5/9/2021	Sell	2,260,081	$0.00000996	$22.51	$2.31
5/9/2021	Sell	12,600,000	$0.00000996	$125.50	$12.86
5/9/2021	Sell	1,982,429	$0.00000996	$19.74	$2.02
5/9/2021	Sell	600,000	$0.00000996	$5.98	$0.61
5/9/2021	Sell	9,011,044	$0.00000996	$89.75	$9.20
5/9/2021	Sell	8,637,635	$0.00000996	$86.03	$8.82
5/9/2021	Sell	450,552	$0.00000996	$4.49	$0.46
5/9/2021	Sell	9,011,044	$0.00000996	$89.75	$9.20
5/9/2021	Sell	16,723,329	$0.00000996	$166.56	$17.07
5/9/2021	Sell	30,637,550	$0.00000996	$305.15	$31.28
5/9/2021	Sell	4,775,853	$0.00000996	$47.57	$4.88
5/9/2021	Sell	11,534,136	$0.00000996	$114.88	$11.78
5/9/2021	Sell	87,845,613	$0.00000996	$874.94	$89.68
5/9/2021	Sell	164,811,997	$0.00000996	$1,641.53	$168.26
5/9/2021	Sell	21,085,843	$0.00000996	$210.01	$21.53
5/9/2021	Sell	2,013,032	$0.00000996	$20.05	$2.06
5/9/2021	Sell	1,351,656	$0.00000996	$13.46	$1.38
5/9/2021	Sell	450,552	$0.00000996	$4.49	$0.46
5/9/2021	Sell	670,000	$0.00000996	$6.67	$0.68
5/9/2021	Sell	4,507,330	$0.00000996	$44.89	$4.60
5/9/2021	Sell	18,022,088	$0.00000996	$179.50	$18.40
5/9/2021	Sell	34,962,851	$0.00000996	$348.23	$35.69
5/9/2021	Sell	1,441,767	$0.00000996	$14.36	$1.47
5/9/2021	Sell	450,552	$0.00000996	$4.49	$0.46
5/9/2021	Sell	46,677,208	$0.00000996	$464.90	$47.65
5/9/2021	Sell	630,773	$0.00000996	$6.28	$0.64
5/9/2021	Sell	9,794,576	$0.00000996	$97.55	$10.00
5/9/2021	Sell	2,973,644	$0.00000996	$29.62	$3.04
5/9/2021	Sell	1,000,000	$0.00000996	$9.96	$1.02
5/9/2021	Sell	9,912,148	$0.00000996	$98.72	$10.12
5/9/2021	Sell	8,019,829	$0.00000996	$79.88	$8.19
5/9/2021	Sell	4,136,936	$0.00000996	$41.20	$4.22

5/9/2021	Sell	10,092,369	$0.00000996	$100.52	$10.30
5/9/2021	Sell	2,252,761	$0.00000996	$22.44	$2.30
5/9/2021	Sell	1,802,208	$0.00000996	$17.95	$1.84
5/9/2021	Sell	10,517,123	$0.00000996	$104.75	$10.74
5/9/2021	Sell	2,072,540	$0.00000996	$20.64	$2.12
5/9/2021	Sell	11,714,357	$0.00000996	$116.67	$11.96
5/9/2021	Sell	18,022,088	$0.00000996	$179.50	$18.40
5/9/2021	Sell	17,841,867	$0.00000996	$177.70	$18.21
5/9/2021	Sell	18,202,889	$0.00000996	$181.30	$18.58
5/9/2021	Sell	103,586,794	$0.00000996	$1,031.72	$105.75
5/9/2021	Sell	5,348,737	$0.00000990	$52.95	$5.43
5/9/2021	Sell	119,111,626	$0.00000990	$1,179.21	$120.87
5/9/2021	Sell	997,222	$0.00000990	$9.87	$1.01
5/9/2021	Sell	7,705,808	$0.00000990	$76.29	$7.82
5/9/2021	Sell	866,836,607	$0.00000990	$8,581.68	$879.62
5/15/2021	Buy	419,437,278	$0.00000839	$3,519.84[2]	$1.97
5/15/2021	Buy	506,382,942	$0.00000835	$4,227.86[3]	$1.91
5/15/2021	Buy	304,175,498	$0.00000879	$2,673.90[4]	$1.91
5/16/2021	Buy	402,663,236	$0.00000867	$3,493.58[5]	$1.91
5/17/2021	Buy	360,684,300	$0.00000694	$2,503.70[6]	$1.74
5/18/2021	Buy	356,027,566	$0.00000827	$2,946.54[7]	$1.72
5/19/2021	Buy	1,007,492,456	$0.00000450	$4,538.98[8]	$1.27
5/19/2021	Buy	1,187,151,103	$0.00000517	$6,140.71[9]	$1.27

[2] Approximately 6.244 WBNB ("Wrapped BNB") tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $563.64 per token. *See* https://coinmarketcap.com/currencies/bnb/historical-data/

[3] Approximately 7.501 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $563.64 per token.

[4] Approximately 4.744 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $563.64 per token.

[5] Approximately 6.192 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $564.21 per token.

[6] Approximately 4.889 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $512.11 per token.

[7] Approximately 5.798 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $508.20 per token.

[8] Approximately 13.486 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $336.57 per token.

[9] Approximately 18.245 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $336.57 per token.

5/20/2021	Buy	624,341,274	$0.00000627	$3,918.24[10]	$1.52
5/20/2021	Buy	110,644,353	$0.00000613	$678.59[11]	$1.48
5/20/2021	Buy	557,345,818	$0.00000667	$3,722.68[12]	$1.60
5/20/2021	Buy	3,342,165,757	$0.00000639	$21,377.05[13]	$1.60
5/20/2021	Buy	139,367,823	$0.00000650	$905.89	$92.85
5/23/2021	Buy	97,177,673	$0.00000318	$309.03	$31.68
5/23/2021	Buy	596,499,940	$0.00000319	$1,902.83	$195.04
5/23/2021	Buy	686,808,922	$0.00000320	$2,197.79	$225.27
5/23/2021	Buy	1,696,748,575	$0.00000324	$5,497.47	$563.49
5/23/2021	Buy	492,999,067	$0.00000325	$1,602.25	$164.23
5/23/2021	Buy	362,744,442	$0.00000408	$1,480.00	$151.70
5/23/2021	Buy	112,637,811	$0.00000409	$460.69	$47.22
5/23/2021	Buy	128,194,060	$0.00000410	$525.60	$53.87
5/23/2021	Buy	56,318,905	$0.00000407	$229.22	$23.49
5/23/2021	Buy	362,744,443	$0.00000410	$1,487.25	$152.44
5/23/2021	Buy	3,772,511,483	$0.00000410	$15,467.30	$1,585.40
5/23/2021	Buy	271,712,510	$0.00000410	$1,114.02	$114.19
5/23/2021	Buy	259,886,637	$0.00000410	$1,065.54	$109.22
5/23/2021	Buy	810,000,208	$0.00000410	$3,321.00	$340.40
5/23/2021	Buy	1,197,547,975	$0.00000410	$4,909.95	$503.27
5/23/2021	Buy	181,303,474	$0.00000410	$743.34	$76.19
5/23/2021	Buy	408,143,680	$0.00000410	$1,673.39	$171.52
5/23/2021	Buy	100,000,000	$0.00000410	$410.00	$42.03
5/23/2021	Buy	52,578,823	$0.00000410	$215.57	$22.10
5/23/2021	Buy	1,644,332	$0.00000410	$6.74	$0.69
5/23/2021	Buy	810,000,214	$0.00000410	$3,321.00	$340.40
5/23/2021	Buy	15,421,715	$0.00000410	$63.23	$6.48
5/23/2021	Buy	4,491,785	$0.00000410	$18.42	$1.89
5/23/2021	Buy	100,000,000	$0.00000410	$410.00	$42.03
5/23/2021	Buy	9,379,196	$0.00000410	$38.45	$3.94
5/23/2021	Buy	18,146,488	$0.00000410	$74.40	$7.63
5/23/2021	Buy	37,009,644	$0.00000410	$151.74	$15.55

[10] Approximately 10.018 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $391.12 per token.
[11] Approximately 1.735 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $391.12 per token.
[12] Approximately 9.518 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $391.12 per token.
[13] Approximately 54.656 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $391.12 per token.

5/23/2021	Buy	810,000,191	$0.00000410	$3,321.00	$340.40
5/23/2021	Buy	58,523,421	$0.00000410	$239.95	$24.59
5/23/2021	Buy	59,058,562	$0.00000410	$242.14	$24.82
6/3/2021	Buy	7,712,332,602	$0.00000403	$31,087.78[14]	$1.75
6/8/2021	Buy	314,768,071	$0.00000377	$1,186.68	$121.63
6/21/2021	Buy	12,915,537	$0.00000350	$45.20	$4.63
6/21/2021	Buy	268,815,902	$0.00000350	$940.86	$96.44
7/7/2021	Buy	1,323,072,482	$0.00000310	$4,101.52	$420.41
7/8/2021	Buy	589,682	$0.00000313	$1.85	$0.19
7/8/2021	Buy	1,740,157	$0.00000313	$5.45	$0.56
7/8/2021	Buy	31,432	$0.00000313	$0.10	$0.01
7/8/2021	Buy	10,175,948	$0.00000313	$31.85	$3.26
7/8/2021	Buy	100,000,000	$0.00000313	$313.00	$32.08
7/8/2021	Buy	66,523,920	$0.00000313	$208.22	$21.34
7/30/2021	Buy	9,171,081	$0.00000239	$21.92	$2.25
7/30/2021	Buy	1,504,157,934	$0.00000239	$3,594.94	$368.48
7/30/2021	Buy	24,686,710	$0.00000239	$59.00	$6.05
7/30/2021	Buy	210,000,000	$0.00000239	$501.90	$51.44
7/30/2021	Buy	206,663,298	$0.00000239	$493.93	$50.63
7/30/2021	Buy	50,000,000	$0.00000239	$119.50	$12.25
7/30/2021	Buy	689,272,205	$0.00000239	$1,647.36	$168.85
8/17/2021	Buy	3,000,000	$0.00000179	$5.37	$0.55
8/17/2021	Buy	5,500,000	$0.00000179	$9.85	$1.01
8/17/2021	Buy	128,961,260	$0.00000179	$230.84	$23.66
8/17/2021	Buy	2,267,052,880	$0.00000179	$4,058.02	$415.95
8/17/2021	Buy	11,060,780	$0.00000179	$19.80	$2.03
8/17/2021	Buy	13,591,108	$0.00000179	$24.33	$2.49
8/17/2021	Buy	12,232,007	$0.00000179	$21.90	$2.24
8/17/2021	Buy	87,078,480	$0.00000179	$155.87	$15.98
8/17/2021	Buy	21,764,689	$0.00000179	$38.96	$3.99
8/17/2021	Buy	29,829,042	$0.00000179	$53.39	$5.47
8/17/2021	Buy	3,085,188	$0.00000179	$5.52	$0.57
8/17/2021	Buy	50,499,762	$0.00000179	$90.39	$9.27
8/17/2021	Buy	891,091	$0.00000179	$1.60	$0.16
8/17/2021	Buy	74,296,019	$0.00000179	$132.99	$13.63
8/17/2021	Buy	41,215,066	$0.00000179	$73.77	$7.56
8/18/2021	Buy	503,615,053	$0.00000179	$901.47	$92.40

[14] Approximately 72.635 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $428.00 per token.

8/18/2021	Buy	153,099,291	$0.00000179	$274.05	$28.09
8/18/2021	Buy	8,020,132	$0.00000179	$14.36	$1.47
9/21/2021	Buy	39,683,332	$0.00000140	$55.76[15]	$1.96
10/28/2021	Sell	1,561,590,000	$0.00000325	$5,085.76[16]	$2.36
12/14/2021	Swap	51,098,968 (V2)[17]	--	--	--
12/14/2021	Swap	.10 (V2)	--	--	--

[15] Approximately 0.162 WBNB tokens were exchanged for this transaction. The closing price of these tokens on this date was approximately $344.24 per token.
[16] This transaction was exchanged into BUSD, a “stable coin” with a 1-to-1 value compared to USD.
[17] In this transaction, movant swapped 50,076,988,740.84 “version 1” SAFEMOON Tokens for 51,098,968 “version 2” SAFEMOON Tokens.

CERTIFICATION PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Mark Combs, hereby certify that the following is true and correct to the best of my knowledge, information and belief:

1. I have reviewed the Complaint in this matter and authorize Scott+Scott Attorneys at Law LLP to file lead plaintiff papers on my behalf.

2. I am willing to serve as a representative party on behalf of those who purchased or otherwise acquired unregistered SafeMoon token securities during the Class Period (as defined in the Complaint), including providing testimony at deposition and trial, if necessary.

3. During the Class Period, I purchased and/or sold the security that is the subject of the Complaint, as set forth in the Attached **Schedule A.**

4. I did not engage in the foregoing transactions at the direction of counsel nor in order to participate in any private action arising under the Securities Act of 1933 or Securities Exchange Act of 1934.

5. I have not sought to serve as a representative party on behalf of a class in the 3-year period preceding the date on which this certification is signed.

6. I will not accept any payment for serving as a representative party on behalf of the Class beyond the *pro rata* share of any recovery, except for such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Gainesville, Florida on 5/4/2022, 2022.
(City, State)

DocuSigned by:
62C4110DC2D54F2...
Mark Combs

SCHEDULE A OF TRANSACTIONS

Date	Transaction	Amount	Price	Dollar Estimate[1]	Fee
4/5/2021	Purchase	9,466,245	$0.00000137	$12.96	$1.32
4/5/2021	Purchase	9,999,999	$0.00000137	$13.69	$1.40
4/5/2021	Purchase	9,999,999	$0.00000137	$13.69	$1.40
4/5/2021	Purchase	8,955,928	$0.00000137	$12.26	$1.25
4/9/2021	Purchase	19,559,462	$0.00000118	$23.08	$2.36
4/18/2021	Purchase	26,791,044	$0.00000268	$71.79	$7.35
4/18/2021	Purchase	27,712,280	$0.00000285	$78.97	$8.09
4/20/2021	Purchase	8,184,522	$0.00001111	$90.93	$9.32
4/20/2021	Purchase	81,301,312	$0.0000114	$926.83	$95.00
4/21/2021	Purchase	145,109,786	$0.00001098	$1,593.30	$163.31
4/21/2021	Purchase	42,052,195	$0.00001098	$461.73	$47.32
4/21/2021	Purchase	31,224,570	$0.00001098	$342.84	$35.14
4/21/2021	Purchase	34,382,057	$0.00001098	$377.51	$38.69
4/21/2021	Purchase	5,618,766	$0.00001098	$61.69	$6.32
4/21/2021	Purchase	10,461,279	$0.00001098	$114.86	$11.77
4/21/2021	Purchase	15,000,000	$0.00001098	$164.70	$16.88
4/21/2021	Purchase	7,612,045	$0.00001098	$83.58	$8.56
4/21/2021	Purchase	500,000	$0.00001098	$5.49	$0.56
4/21/2021	Purchase	116,443,094	$0.000011	$1,280.87	$131.28
4/21/2021	Purchase	541,547,538	$0.00001178	$6,379.42	$653.89
4/21/2021	Purchase	100,882,965	$0.00001177	$1,187.39	$121.70
4/21/2021	Purchase	7,125,190	$0.00000655	$46.66	$4.78
4/21/2021	Purchase	272,190,086	$0.0000058	$1,578.70	$161.81
4/21/2021	Purchase	2,648,360	$0.0000061	$16.15	$1.65

[1] Movant's Purchases with made with USDT (United States Dollar Tether) a "stable coin" with a 1-to-1 value compared to USD.

CERTIFICATION PURSUANT TO THE FEDERAL SECURITIES LAWS

I, Vlad Iacob, hereby certify that the following is true and correct to the best of my knowledge, information and belief:

1. I have reviewed the Complaint in this matter and authorize Scott+Scott Attorneys at Law LLP to file lead plaintiff papers on my behalf.

2. I am willing to serve as a representative party on behalf of those who purchased or otherwise acquired unregistered SafeMoon token securities during the Class Period (as defined in the Complaint), including providing testimony at deposition and trial, if necessary.

3. During the Class Period, I purchased and/or sold the security that is the subject of the Complaint, as set forth in the Attached **Schedule A.**

4. I did not engage in the foregoing transactions at the direction of counsel nor in order to participate in any private action arising under the Securities Act of 1933 or Securities Exchange Act of 1934.

5. I have not sought to serve as a representative party on behalf of a class in the 3-year period preceding the date on which this certification is signed.

6. I will not accept any payment for serving as a representative party on behalf of the Class beyond the *pro rata* share of any recovery, except for such reasonable costs and expenses (including lost wages) directly relating to the representation of the Class, as ordered or approved by the Court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at San Diego, CA on 5/3/2022, 2022.
(City, State)

DocuSigned by:
Vlad Iacob
423FF948E391446...

Vlad Iacob

DocuSign Envelope ID: AE89F5E1-D8B3-42A5-8F99-01698B182CFA

SCHEDULE A OF TRANSACTIONS

Date	Transaction	Amount	Price	Dollar Estimate[1]	Fee
4/19/2021	Purchase	19,813,787	$0.0000081	$160.49	$16.45
4/19/2021	Purchase	775,137,025	$0.0000081	$6,278.60	$643.55
4/19/2021	Purchase	686,569,319	$0.0000081	$5,561.21	$570.02
4/19/2021	Purchase	45,817,992	$0.00000809	$370.66	$37.99
4/19/2021	Purchase	23,286,965	$0.00000805	$187.46	$19.21
4/19/2021	Purchase	359,734,939	$0.000008	$2,877.87	$294.98
4/19/2021	Purchase	2,739,296	$0.00000838	$22.95	$2.35
4/19/2021	Purchase	260,730,182	$0.00000838	$2,184.91	$223.95

[1] Movant's Purchases with made with USDT (United States Dollar Tether) a "stable coin" with a 1-to-1 value compared to USD.

EXHIBIT 4

Case 2:23-cv-00442-DBB Document 213-5 Filed 01/12/26 PageID.1636 Page 2 of 11

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Attorneys for Chapter 7 Trustee

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

In re: **SAFEMOON US LLC,** Debtor.	Bankruptcy Case No. 23-25749 Chapter 7 Honorable Peggy Hunt

REPLY OF CHAPTER 7 TRUSTEE TO OBJECTION OF BRADEN JOHN KARONY, RONIN REAL ESTATE HOLDINGS LC AND RONIN CRYPTO GROUP LC TO TRUSTEE'S MOTION TO: (I) APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE TRUSTEE AND LEAD PLAINTIFFS IN SECURITIES CLASS ACTION, AND (II) GRANT RELATED RELIEF

Ellen E. Ostrow (the "***Trustee***"), the duly-appointed trustee in the above-captioned Chapter 7 bankruptcy case filed by SafeMoon US LLC (the "***Debtor***" or "***SafeMoon***"), by and through her undersigned counsel, hereby submits this reply to the Objection of Braden John Karony ("***Karony***"), Ronin Real Estate Holdings LC and Ronin Crypto Group LC (together "***Ronin***" and collectively with Karony, the "***Karony Parties***") [Dkt. No. 308] (the "***Karony Objection***") to the

Trustee's Motion for an Order Pursuant to 11 U.S.C. § 105 and Rules 9019 and 7023 of the Federal Rules of Bankruptcy Procedure to: (1) Approve the Settlement Agreement between the Trustee and Lead Plaintiffs Mark Combs, Vlad Iacob and Benjamin Northey, and (2) Grant Related Relief [Dkt. No. 301] (the "***Motion***").[1] In support hereof, the Trustee respectfully states as follows:

INTRODUCTION

The Settlement is a watershed event in the Debtor's chapter 7 case. The Settlement, if consummated, will fix the treatment of customer claims against the Debtor's estate, end litigation over the calculation of customer claims, avoid "competition" with Lead Plaintiffs on various third party claims and pave the way for potential interim distributions to general unsecured creditors and, ultimately, customers. The Settlement was only reached after substantial negotiations, two mediation sessions before the Honorable Dustin B. Pead and extensive negotiations over the form of the Settlement Agreement over many months.

There have only been two objections to the Settlement. Mike Suminski filed an objection [Dkt. No. 305] (the "***Suminski Objection***"), challenging the term of the Settlement under which the Class Claim (for customers) is subordinated to all Allowed General Unsecured Claims against the Debtor under § 510(b) of the Bankruptcy Code. On October 7, 2025, the Trustee filed a reply to the Suminski Objection, explaining why subordination of the Class Claim is appropriate under § 510(b). *See* Dkt. No. 310.

The other objection is the Karony Objection, filed on October 6, 2025. The Karony Parties raise two principal arguments in opposition to the Settlement. First, the Karony Parties argue that (a) the Debtor's estate purportedly is a solvent estate, and (b) the Trustee has violated her fiduciary

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[1] Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

4910-6389-5152.1

duties to Karony by failing to maximize the value of his equity interest in the Debtor. This argument is baseless. The Debtor's estate is not solvent, even without the Settlement. The Karony Parties conveniently ignore all of the SFM Tokenholder Claims – as well as the SEC Claim – that will remain senior to Karony's equity interest even absent the Settlement. Moreover, the allegation that the Trustee somehow violated her fiduciary duties to Karony, a convicted felon, through a reasonable, efficient, and Judge Pead-mediated Settlement is not only false, it is inflammatory.

Second, the Karony Parties argue that the Class Claim cannot be approved under Bankruptcy Rule 7023. The Karony Parties begin by alleging that the Tenth Circuit's decision in *Standard Metals I*[2] is a *per se* bar to class claims in bankruptcy. However, as discussed in the Motion, that statement in *Standard Metals I* is, at most, non-binding dicta; as such, bankruptcy courts in this Circuit, including in this District, have approved class claims. The Karony Parties then allege that the Class Claim does not meet the Rule 23 requirements for a class. This argument, which will be addressed in more detail in reply by Lead Plaintiffs, ignores critical evidence (including from Karony's own criminal trial), as well as the District Court's ruling on the motion to dismiss in the Securities Litigation.

[2] 817 F.2d 625 (10th Cir. 1987).

RESPONSE

I. The Settlement Is Reasonable, Consistent With The Trustee's Fiduciary Duties, And In The Best Interests Of This Insolvent Estate

A. The Debtor Is Insolvent Irrespective Of The Settlement

The Karony Parties' attacks on the Settlement are premised in large part on their theory that the Debtor is "solvent," and, therefore, as equity holders, the Karony Parties will benefit from eliminating the Class Claim. *See, e.g.*, Karony Objection at 2 ("Second, and unlike most *Kopexa* cases, this is a solvent estate. . . . In such rare circumstances, a trustee owes a fiduciary duty to the debtor's residual equity holder."); *id.* at 2, ¶ 2 ("The Debtor's estate (exclusive of the speculative claims of the putative class) is solvent with sufficient assets to satisfy all allowed administrative and general unsecured claims in full."); *id.* at 6 (noting that paying creditors in full under the Settlement is "a hollow benefit as the estate is already solvent—while ignoring the fact that it does so by extinguishing a $12 million surplus that belongs to the Debtor's equity holder, Mr. Karony").

This theory is incorrect. The Debtor is plainly ***insolvent*** even without taking into account the Class Claim. On April 17, 2024, this Court entered an Order setting a claims bar date of July 22, 2024 [Dkt. No. 152]. The aggregate allowed amount of non-customer claims against the Debtor's estate is likely to be $5 million or less. But that does ***not*** make the estate solvent, as customers of the Debtor (i.e., holders of SFM Tokenholder Claims) have already filed 1,171 claims against the estate alleging tens of millions of dollars in damages.

In addition, the SEC has filed the SEC Claim, a true and correct copy of which is attached hereto as **Exhibit A**. The SEC Claim – which is unliquidated – is based on the SEC's case against the Debtor (and others) entitled *Securities and Exchange Commission v. SafeMoon LLC et al*, Case No. 1:23-cv-08138 (E.D.N.Y.) (the "***SEC Action***"). In the SEC Action, the SEC sought

4910-6389-5152.1

disgorgement, prejudgment interest, civil penalties and other relief based on the Debtor's violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 [15 U.S.C. §§ 77e(a), 77e(c), 77q(a)], Sections 9(a)(2) and 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. §§ 78i(a)(2), 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

The numerous SFM Tokenholder Claims already filed, plus the SEC Claim, if allowed at even a fraction of their potential amounts, would render the Debtor hopelessly insolvent. The Settlement moots the process of allowing these claims because (a) the SFM Tokenholder claims are subsumed into the Class Claim, and (b) recoveries on the SEC Claim must be subordinated to the Class Claim as a condition to the effectiveness of the Settlement. *See* Settlement Agreement at ¶ 9(v).

In sum, the notion that the Debtor is "solvent," and that Karony would be entitled to some gold mine if only the Court were to deny the Motion, is belied by the actual claims filed in the case.

B. The Settlement Is Reasonable And Consistent With The Trustee's Fiduciary Duties

The Karony Parties, without any evidence, accuse the Trustee of somehow violating her fiduciary duties by entering into the Settlement. Nothing could be further from the truth.

As discussed in the Motion, settlements are favored in bankruptcy to minimize litigation and expedite the administration of the estate. *See In re Southern Medical Arts Co. Inc.,* 343 B.R. 250, 255 (B.A.P. 10th Cir. 2006); *In re Roberts*, 667 B.R. 147, 156 (B.A.P. 10th Cir. 2025). The Trustee was mindful of that principle, as well as "the interests of creditors in deference to their reasonable views," in negotiating the Settlement. *In re Kopexa Realty Venture Co*., 213 B.R. 1020, 1022 (B.A.P. 10th Cir. 1997).

The Settlement provides significant benefits to the Debtor's estate, as discussed in the Motion, including:

- Subordination of the Class Claim to the claims of general unsecured creditors, facilitating payment of those claims in full (rather than possibly a "cents on the dollar" recovery);
- Fixing the calculation of the allowed amount of SFM Tokenholder Claims and the scope of such claims;
- A stay of certain claims in the Securities Action, as well as a waiver of various claims against third parties by Lead Plaintiffs, avoiding the specter of the estate "competing" with Lead Plaintiffs for recoveries;
- The subordination of recoveries on the SEC Claim as a condition to effectiveness of the settlement, avoiding expensive litigation and damages for essentially the same injuries as those suffered by SFM Tokenholders; and
- The cessation of potentially very expensive litigation with Lead Plaintiffs and SFM Tokenholders over the treatment of their claims and the methodology for fixing such claims.

These are substantial benefits that the estate receives under the Settlement, which are wholly brushed aside by the Karony Parties. The Karony Parties instead posit that the Trustee should simply abandon the Settlement. Although they do not explicitly state as much, it appears that the Karony Parties expect the Trustee to (1) litigate the propriety of the Class Claim and all underlying issues with Lead Plaintiffs, (2) object to and seek to disallow each and every SFM Tokenholder proof of claim filed in the case, ***and*** (3) object to and litigate with the SEC over the allowance and amount of the SEC Claim.

Indeed, the only way that the Karony Parties would have any hope of recovering anything on their equity interest in the Debtor would be if the Trustee were to litigate, and prevail, on all three fronts listed above. The Trustee is not required to make that bet for Karony's benefit. It is well established that "nothing . . . requires a [trustee] to gamble with the estate's interest at the behest of an out-of-the-money party who has nothing to lose by a roll of the litigation dice." *In re Nicole Gas Prod., Ltd.*, 518 B.R. 429, 442 (Bankr. S.D. Ohio 2014) (quoting *In re Ambac Fin. Grp., Inc.*, 457 B.R. 299, 305 (Bankr. S.D.N.Y. 2011)); *see also In re Aquina*, BAP No. CC-21-1163-FLS, 2022 Bankr. LEXIS 279, at **16-17 (B.A.P. 9th Cir. 2022) (noting that the debtor (i.e., equity) often wants the trustee to gamble and pursue risky litigation, rather than settle, in order to generate a recovery for the debtor, but that "the trustee and the court must consider the paramount interest of creditors and need not consider the debtor's interest"); *In re Hermitage Inn, Inc.*, 66 B.R. 71, 73 (Bankr. D. Colo. 1986) (rejecting the debtor's objection to a settlement because "[t]he Trustee has correctly decided it is in the creditors' best interest to seek their greatest return, not to gamble on costly long-shot litigation").

The Trustee is not willing to gamble with creditor recoveries in this case in order to appease an equity holder – particularly one such as Karony who has been held criminally liable for his activities. The Settlement is fair, reasonable, in the best interests of creditors, and wholly consistent with the Trustee's fiduciary duties and the *Kopexa* factors. As such, it satisfies the standard under Bankruptcy Rule 9019 and should be approved.

II. <u>The Settlement Is Appropriate Under Bankruptcy Rule 7023</u>

A. <u>*Standard Metals I* Is Not An Obstacle To The Settlement</u>

The Karony Parties also argue that the Class Claim cannot be approved under Bankruptcy Rule 7023 because of the Tenth Circuit's decision in *Standard Metals I*. The Trustee addressed this issue at length in the Motion. In addition, Lead Plaintiffs are submitting an extensive reply on this issue, which the Trustee agrees with. The Trustee nevertheless addresses three key points on the *Standard Metals* issue.

First, *Standard Metals I* did not definitively decide the issue of whether class proofs of claim are permitted in the Tenth Circuit. We know that because the Tenth Circuit said as much in *Standard Metals II*.[3] In that case, after deciding the case on procedural grounds, the Court stated that "[i]n view of the disposition of this appeal it is not necessary to consider the class action claims issue." *Id.* at 1387. If class proofs of claim were not possible in this Circuit based on the holding in *Standard Metals I*, this language would make zero sense. Courts since *Standard Metals I* in this Circuit and elsewhere have agreed, and have routinely allowed class proofs of claim in bankruptcy cases. *See* Motion at 15-16.

Second, the Honorable Joel T. Marker approved a class claim as part of a settlement in the *Empire Solar* chapter 7 case. In *Empire Solar*, former employees of the debtor filed a class proof of claim for WARN Act damages and unpaid wages. The trustee settled with the class and filed a motion to approve the settlement. The Court granted the settlement motion, appointing the class representatives and class counsel, as well as a class action settlement resolving the employees' claims. *See In re Empire Solar Group, LLC*, Case No. 2:21-23636, at Dkt. Nos. 687, 713. If *Standard Metals I* did not allow for class proofs of claim under any circumstances, as the Karony Parties suggest, then the Court in *Empire Solar* would have been unable to approve the settlement.

Third, it is important to note that, like in *Empire Solar*, this issue comes before the Court in the context of a settlement, not contested litigation over whether a class claim is permissible. As such, the standard is not whether class claims in bankruptcy are permissible via an "up or down" decision by this Court, but ***whether the Trustee was reasonable in resolving that issue*** as part of the broader Settlement. Indeed, if the Trustee had not settled the class claim issue, she would have

[3] *Sheftelman v. Standard Metals Corp.*, 839 F.2d 1383 (10th Cir. 1987).

been embroiled in a multi-year litigation fight with Lead Plaintiffs – likely through the Tenth Circuit – on the propriety of class claims in bankruptcy, regardless of which party prevailed before this Court. Nothing in the Bankruptcy Code requires the Trustee to engage in that litigation, which is obviated by the Settlement.

B. There Is A Reasonable Basis To Approve The Settlement Class And Allow It To Proceed To The District Court

The Karony Parties argue that there is not a basis to certify a class under Rule 7023. This argument is incorrect. The Trustee addressed this issue in detail in the Motion. In addition, Lead Plaintiffs are responding to this argument at length in their reply.

Moreover, it is important to note that this Court does not need to make a definitive determination that the proposed class meets the Rule 23 requirements. That issue will be decided by the District Court, which must approve the Settlement – including certification of the class – on a preliminary and final basis in order for the Settlement to be effective. Any party with standing may object to that determination in the District Court.

The Trustee only addressed the Rule 23 issues in the Motion, in an abundance of caution, so that this Court could rule that "there is a reasonable basis for certifying a class in this case under Bankruptcy Rule 7023 such that this Court can approve the Settlement as reasonable under Bankruptcy Rule 9019." *See* Motion at 16. As such, while the Trustee and Lead Plaintiffs have met the standard for certification of a class under Rule 7023, to approve the Settlement, this Court only has to rule that the Trustee's entry into the Settlement (including the class certification requirements thereunder) is reasonable. This Court may leave the final determination on class certification to the District Court, where the Securities Litigation has been pending for some time.

CONCLUSION

Case 2:22-cv-00442-DBB-JCB Document 213-5 Filed 11/15/25 PageID.1645 Page 11 of 51

For the reasons set forth above and in the Motion, the Trustee respectfully requests that this Court grant the Motion, approve the Settlement Agreement and grant such other and further relief as is just and proper.

Respectfully submitted,

DATED: November 12, 2025

/s/ Ellen E. Ostrow
Geoffrey S. Goodman
Ellen E. Ostrow

Attorneys for Chapter 7 Trustee

CERTIFICATE OF SERVICE

I hereby certify that on the 12th day of November, 2025, a true and correct copy of the foregoing **REPLY OF CHAPTER 7 TRUSTEE TO OBJECTION OF BRADEN JOHN KARONY, RONIN REAL ESTATE HOLDINGS LC AND RONIN CRYPTO GROUP LC TO TRUSTEE'S MOTION TO: (I) APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE TRUSTEE AND LEAD PLAINTIFFS IN SECURITIES CLASS ACTION, AND (II) GRANT RELATED RELIEF** shall be served on the parties in the manner designated below:

By Electronic Service: I certify that the parties of record in this case, as identified below, are registered CM/ECF users:

Matthew James Burne matthew.burne@usdoj.gov; James.Gee@usdoj.gov; Lindsey.Huston@usdoj.gov; Rinehart.Peshell@usdoj.gov; Rachell e.D.Hughes@usdoj.gov; Brittany.Dewitt@usdoj.gov.	UT33@ecfcbis.com.
Brent O. Hatch hatch@hatchpc.com; admin@hatchpc.com.	**Mark C. Rose** mrose@mbt-law.com; markcroselegal@gmail.com.
David W. Newman tr david.w.newman@usdoj.gov; James.Gee@usdoj.gov; Lindsey.Huston@usdoj.gov; Rinehart.Peshell@usdoj.gov; Rachell e.D.Hughes@usdoj.gov; Brittany.Dewitt@usdoj.gov.	**Mike Suminski** Michael.Suminski@yahoo.com
Ellen E. Ostrow eostrow@foley.com; ellen-ostrow4512@ecf.pacerpro.com; docketflow@foley.com;	**Therese Scheuer** scheuert@sec.gov. **United States Trustee** USTPRegion19.SK.ECF@usdoj.gov.
	Melinda Willden melinda.willden@usdoj.gov; James.Gee@usdoj.gov; Lindsey.Huston@usdoj.gov; Rinehart.Peshell@usdoj.gov; Rachell e.D.Hughes@usdoj.gov; Brittany.Dewitt@usdoj.gov.
	Braden J. Karony **Ronin Real Estate Holdings LC** **Roning Crypto Group LC** TBarton@parsonsbehle.com BRothschild@parsonsbehle.com trevor@hlh.law

DATED: November 12, 2025 *[/s/ Geysa Peeler]*

4910-6389-5152.1

EXHIBIT A

Fill in this information to identify the case:

Debtor SafeMoon US, LLC

United States Bankruptcy Court for the District of District of Utah

Case number 23-25749

Official Form 410

Proof of Claim

04/22

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) **that you received.**

Part 1: Identify the Claim

1. **Who is the current creditor?**

U.S. Securities and Exchange Commission

Name of the current creditor (the person or entity to be paid for this claim)

Other names the creditor used with the debtor

2. **Has this claim been acquired from someone else?**

☑ No

☐ Yes. From whom?

3. **Where should notices and payments to the creditor be sent?**

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

See Additional/Expanded Creditor Address(es) page:

Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
U.S. Securities and Exchange Commission... Alan Maza 100 Pearl Street, Suite 20-10... New York, NY 10004 USA **P:** 212-336-0133 **E:** mazaa@sec.gov	U.S. Securities and Exchange Commission... Enterprises Services Center,... 6500 South MacArthur Bouleva... Oklahoma City, OK 73169 USA **P:** 202-551-8047 **E:** Disgorgement-Penalty@sec.gov

Uniform claim identifier for electronic payments in chapter 13 (if you use one):

4. **Does this claim amend one already filed?**

☑ No

☐ Yes. Claim number on court claims registry (if known) Filed on MM/DD/YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**

☑ No

☐ Yes. Who made the earlier filing?

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. **Do you have any number you use to identify the debtor?**
   - ☑ No
   - ☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: ______

7. **How much is a claim?** To be determined

   Does this amount include interest or other charges?
   - ☐ No
   - ☑ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. **What is the basis of the claim?**

   Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card
   Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
   Limit disclosing information that is entitled to privacy, such as health care information.

   Disgorgement and penalties for alleged violations of the federal securities laws

9. **Is all or part of the claim secured?**
   - ☑ No
   - ☐ Yes. The claim is secured by a lien on property

     Nature of property
     - ☐ Real estate. If the claim is secured by the debtor's principal residence, file a Mortgage Proof of Claim Attachment (Official Form 410-A)with this Proof of Claim.
     - ☐ Motor vehicle.
     - ☐ Other. Describe: ______

     Basis for perfection: ______

     Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

     Value of property: ______

     Amount of the claim that is secured: ______

     Amount of the claim that is unsecured: ______ (The sum of the secured and unsecured amounts should match the amount in line 7.)

     Amount necessary to cure any default as of the date of the petition: ______

     Annual Interest Rate (when case was filed) ______ %
     - ☐ Fixed
     - ☐ Variable

10. **Is this claim based on a lease?**
    - ☑ No
    - ☐ Yes. Amount necessary to cure any default as of the date of the petition. $ ______

11. **Is this claim subject to a right of setoff?**
    - ☑ No
    - ☐ Yes. Identify the property: ______

12. **Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?**

A Claim may be partly priority and partly nonpriority.For example, law limits the amount entitled to priority.

☑ No

☐ Yes. Check one:

	Amount entitled to priority
☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	
☐ Up to $3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	
☐ Wages, salaries, or commissions (up to $15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4)	
☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	
☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	
☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.	

*Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is

A person who files a fraudulent claim could be fined up to $500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box

☐ I am the creditor.

☑ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this Proof of Claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt

I have examined the information in this Proof of Claim and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date & time 07/05/2024 at 09:24 am PT
MM / DD / YYYY HH : MM

/s/Therese Anne Scheuer
Signature

Print the name of the person who is completing and signing this claim:

Name: Therese (First Name) Anne (Middle Name) Scheuer (Last Name)

Title: Senior Trial Counsel

Company: U.S. Securities and Exchange Commission
Identify the corporate servicer as the company if the authorized agent is a servicer

Address: 100 F Street NE (Number Street)
Washington (City) DC (State) 20549 (ZIP Code)

Contact phone

Email scheuert@sec.gov

Additional/Expanded Creditor Address(es):

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U.S. Securities and Exchange Commission
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mazaa@sec.gov

Distribution Address (Expanded)
U.S. Securities and Exchange Commission
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USA
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Disgorgement-Penalty@sec.gov

Case 2:24-cv-00642-DBB-JCB Document 213-5 Filed 01/12/26 PageID.1652 Page 18 of 51

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

In re:	Bankruptcy No. 23-25749
SAFEMOON US LLC,	Chapter 7
Debtor.	Judge: Joel T. Marker

ATTACHMENT "A" TO PROOF OF CLAIM OF THE U.S. SECURITIES AND EXCHANGE COMMISSION

This claim is based on the attached Complaint filed against SafeMoon US LLC (the "Debtor") in the United States District Court for the Eastern District of New York on November 1, 2023 in the civil enforcement action styled *Securities and Exchange Commission v. SafeMoon LLC et al*, Case No. 1:23-cv-08138 (E.D.N.Y.) (the "Civil Enforcement Action") in which the SEC is seeking, among other relief, disgorgement, prejudgment interest, and civil penalties for the Debtor's alleged violations of federal securities laws which occurred prior to the petition date.

The Commission reserves the right to amend and supplement this claim as appropriate under the circumstances.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. SAFEMOON LLC, SAFEMOON US LLC, KYLE NAGY, BRADEN JOHN KARONY AND THOMAS GLENN SMITH, Defendants,	No. __________ JURY TRIAL DEMANDED

COMPLAINT

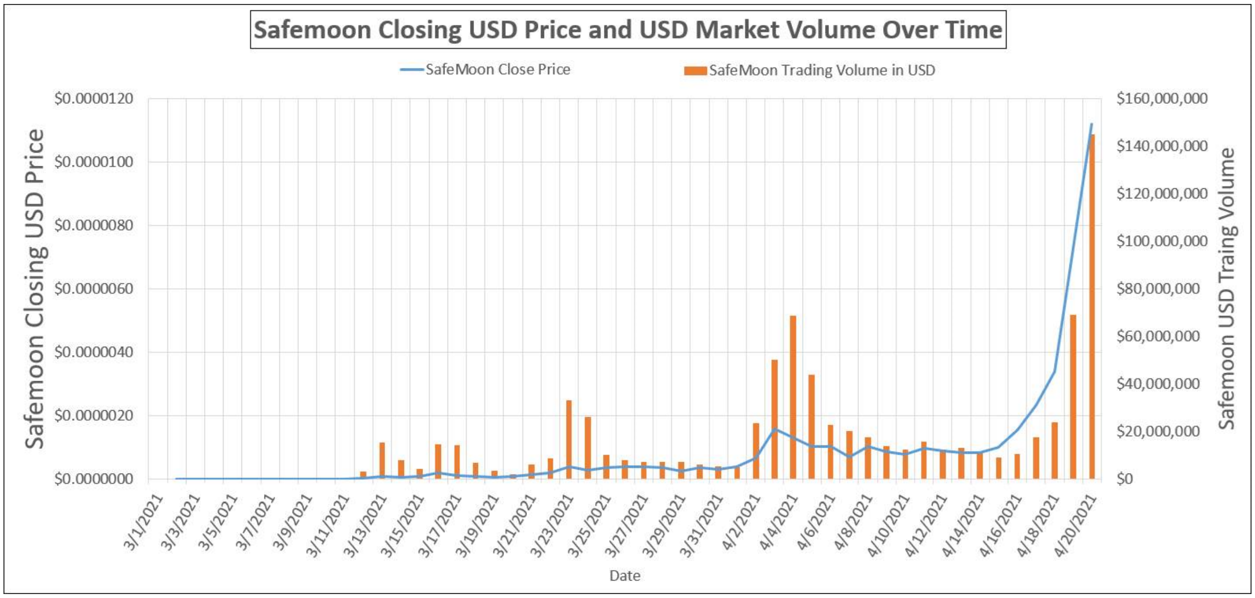
Plaintiff Securities and Exchange Commission ("SEC" or "Commission") alleges as follows:

SUMMARY OF ACTION

1. Beginning in March 2021, SafeMoon LLC, SafeMoon US LLC (together, "SafeMoon"), SafeMoon LLC's creator and founder Kyle Nagy ("Nagy"), and SafeMoon's Chief Executive Officer ("CEO") John Karony ("Karony") and Chief Technology Officer ("CTO") Thomas Smith ("Smith") ("Defendants") perpetrated a massive fraudulent scheme that generated millions through the unregistered offer and sale of a crypto asset security called the SafeMoon Token. During the course of the fraud, the SafeMoon Token's market capitalization skyrocketed to billions of dollars in only two months. That value quickly plummeted when the scam was discovered, leading to significant losses to investors. Meanwhile, Defendants profited by misappropriating from the project crypto assets worth tens of millions of dollars.

2. Between March 12, 2021 and April 20, 2021, the trading volume of the SafeMoon Token on crypto asset trading platforms also skyrocketed and its market price soared by over

55,000%. The total market value of the SafeMoon Token also experienced a meteoric rise to over $5.7 billion.



Ultimately, more than 2.8 million unique addresses have held SafeMoon Tokens since its inception on the distributed digital ledger (or "blockchain") in which it was represented.

3. As part of their scheme, Defendants used a so-called "liquidity pool" through which SafeMoon Token holders were able to "swap" their SafeMoon Tokens for "BNB Tokens," another crypto asset security, which is associated with the "Binance Smart Chain" blockchain (now known as the BNB Chain).[1] This exchange would take place through a so-called "liquidity pool" (the "SafeMoon LP"), which consisted of a "smart contract" (generally speaking, self-executing computer code) that ran on a so-called "decentralized exchange" known as PancakeSwap. The SafeMoon LP allowed users to swap SafeMoon Tokens with BNB Tokens. In his marketing materials, whitepaper, and website, Nagy represented that each SafeMoon Token transaction would be subject to a 10% "tax"—5% would be returned to SafeMoon Token

[1] The liquidity pool actually used a "wrapped" token, called "wBNB," that was compatible with the BNB Chain.

holders as a quasi-dividend, and 5% would be deposited and retained in the SafeMoon LP. Smith and Karony repeated and disseminated these false representations in social media posts and other communications with the public.

4. Critically, Nagy represented in marketing materials, his whitepaper, and website that these retained assets would be "locked" and inaccessible for at least four years. Smith and Karony repeated and disseminated these false representations in social media posts and other communications with the public. According to Defendants, this purported safety feature would protect assets from being misappropriated (or having the "rug pulled" in crypto asset market terms). What the Defendants failed to disclose, however, was that whenever tokens were deposited to the SafeMoon LP from the 5% tax, the Defendants received "liquidity provider tokens" ("LP Tokens") as a result. Accordingly, as Defendants well knew, the assets in the SafeMoon LP were not locked because the LP Tokens allowed the Defendants to withdraw retained assets from the SafeMoon LP at will—which, in fact, is what the Defendants repeatedly did.

5. In direct contravention to their public representations, the Defendants repeatedly raided the retained assets from the SafeMoon LP by redeeming LP Tokens they received when tokens were deposited into the SafeMoon LP as part of the 5% tax on each SafeMoon Token transaction. The Defendants claimed in their marketing materials, website, whitepaper, and public statements, that removing funds from the SafeMoon LP was something that they could not do. After Karony and Smith were confronted with their lies, however, they changed their story and represented that they would not remove funds from the SafeMoon LP without first disclosing their intended use to the public. This was also a false statement because they continued to withdraw assets from the SafeMoon LP without public disclosure.

6. As the SafeMoon Token grew exponentially in value, the Defendants used their LP Tokens to redeem tens of millions of dollars' worth of tokens from the SafeMoon LP, which they then used for various purposes, including manipulation of the SafeMoon Token market, business expenses, investments in unrelated companies, and personal uses such as to purchase luxury homes, McClaren sports cars, and extravagant travel.

7. On or about April 21, 2021, after it became public that the Defendants had the unfettered ability to remove assets from the SafeMoon LP, the SafeMoon Token price plummeted nearly 50%. After this plunge, the Defendants engaged in another scheme to manipulate the price of the SafeMoon Token through carefully timed asset purchases.

8. By engaging in the conduct alleged in this Complaint, Defendants violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c), 77q(a)]; Sections 9(a)(2) and 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78i(a)(2), 78j(b)]; and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. Defendants will continue to violate the federal securities laws unless they are restrained and enjoined by this Court.

JURISDICTION AND VENUE

9. The SEC brings this action pursuant to Sections 20 and 22 of the Securities Act [15 U.S.C. §§ 77t, 77v] and Sections 21(d) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78aa] to enjoin Defendants from engaging in the transactions, acts, practices, and courses of business alleged in this Complaint, and transactions, acts, practices, and courses of business of similar purport and object.

10. The Court has personal jurisdiction over Defendants and venue is proper in this District pursuant to Section 22(a) of the Securities Act, [15 U.S.C. § 77v(a)], and Section 27(a)

of the Exchange Act, [15 U.S.C. § 78aa(a)], because, among other things, some of the acts and transactions in which Defendants engaged and that constitute violations of the federal securities laws occurred in this District. For example, as alleged herein, Defendants offered and sold securities to investors located in this District in unregistered transactions.

11. In addition, this Court has personal jurisdiction over Defendants because Defendants engaged in conduct within the United States that constituted significant steps in furtherance of the violations of the federal securities laws alleged in this Complaint and/or further because Defendants, whether within or outside of the United States, engaged in conduct that had a foreseeable substantial effect within the United States.

12. In connection with the conduct alleged in this Complaint, Defendants, directly and indirectly, singly or in concert with others, have made use of the means or instrumentalities of interstate commerce, the means or instruments of transportation or communication in interstate commerce, the mails, and/or the facilities of a national securities exchange—namely, through Defendants' use of the Internet and the U.S. banking system when engaging in the acts and transactions described herein.

DEFENDANTS

13. SafeMoon LLC is a Utah LLC organized on March 18, 2021, with a registered address in Provo, Utah. It was formed shortly after the SafeMoon project launched and was used to conduct early business operations. The LLC's members were Karony, Nagy, and Tano LLC, of which Smith was a 10% owner. SafeMoon LLC initially operated via a three-person board consisting of Karony, Nagy, and Smith. Karony was the registered agent of SafeMoon LLC, which never registered any class of securities with the Commission.

14. SafeMoon US LLC is a Utah LLC organized on June 14, 2021, with its principal place of business in Pleasant Grove, Utah. SafeMoon US LLC was owned and controlled by Karony. After formation, SafeMoon US LLC was used in connection with the SafeMoon Token operations. SafeMoon US LLC never registered any class of securities with the Commission.

15. Nagy, age 35, was a resident of Vero Beach, Florida who was responsible for the creation of the SafeMoon Token and the related whitepaper. Nagy never voluntarily revealed his identity, but instead partnered with Smith and Karony to be the public faces of the business. Nagy controlled the SafeMoon Token smart contract owner[2] address ("SafeMoon Contract Owner Address") from its inception in March 2021 until April 2021, and shared control of it with Karony and Smith once they joined SafeMoon around March 12, 2021. Nagy has never been registered with the Commission in any capacity.

16. Karony, age 27, was a resident of Provo, Utah. Karony has served as SafeMoon's CEO since March 2021. Prior to SafeMoon, Karony operated a small software company. Karony interacted frequently with the public to promote the SafeMoon Token. Karony controlled SafeMoon LLC and SafeMoon US LLC. In September 2021, the SafeMoon Contract Owner Address was transferred to a new address under Karony's sole control. Karony has never been registered with the Commission in any capacity.

17. Smith, age 35, was a resident of Bethlehem, New Hampshire who served as SafeMoon's first CTO from March 2021 until around November 2021. Smith also interacted

[2] Smart contracts are self-executing code deployed on a blockchain that perform "if/then" computations. Smart contracts can govern the issuance and distribution of tokens on a blockchain, and typically those who deploy such smart contracts can control them through administrative access rights.

Case 2:23-cv-04642-DDB-CB Document 1 Filed 11/01/23 Page 25 of 51 Page ID #:659

frequently with the public to promote the SafeMoon Token. Smith has never been registered with the Commission in any capacity.

BACKGROUND ON SECURITIES OFFERINGS

18. Congress enacted the Securities Act nearly a century ago to regulate the offer and sale of securities. In contrast to the commercial principle of *caveat emptor*, Congress established a regime of full and fair disclosure, requiring those who offer and sell securities to the investing public to provide sufficient and accurate information to allow investors to make informed decisions before they invest.

19. Sections 5(a) and 5(c) of the Securities Act require issuers of securities to register offers and sales of those securities with the SEC when they offer and sell securities to the public. Registration statements relating to an offering of securities provide investors with important information about the issuer and the offering, including financial and managerial information, how the issuer will use offering proceeds, and the risks and trends that affect the enterprise and an investment in its securities.

20. The Securities Act and Exchange Act also contain anti-fraud provisions to prevent fraudulent conduct in the offer, sale, and purchase of securities. Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act, for example, seek to ensure honest behavior and fair dealing in securities transactions.

21. Congress used a broad definition of "security" in the Securities Act and Exchange Act. A "security" encompasses a wide range of investments, including investment contracts. Investment contracts are instruments through which a person invests money in a common enterprise and reasonably expects profits or returns derived from the entrepreneurial or

managerial efforts of others. In this case, SafeMoon offered and sold SafeMoon Tokens as securities.

BACKGROUND ON CRYPTO ASSETS

22. The term "crypto asset" generally refers to an asset issued and/or transferred using distributed ledger or blockchain technology, including assets sometimes referred to as "cryptocurrencies," "digital assets," "virtual currencies," "digital coins," and "digital tokens."

23. A blockchain or distributed ledger is a peer-to-peer database spread across a network of computers that records all transactions in theoretically unchangeable, digitally recorded data packages. The system relies on cryptographic techniques for secure recording of transactions.

24. Blockchains typically employ a consensus mechanism to "validate" transactions, which, among other things, aims to achieve agreement on a data value or on the state of the ledger. Crypto assets may be traded on crypto asset trading platforms in exchange for other crypto assets or fiat currency (legal tender issued by a country).

25. A blockchain "protocol" is a code, software, or algorithm that governs how a blockchain, or a feature of a blockchain, operates.

26. On July 25, 2017, the SEC issued the *Report of Investigation Pursuant to Section 21(a) of the Securities Exchange Act of 1934: The DAO*, advising "those who would use . . . distributed ledger or blockchain-enabled means for capital raising[] to take appropriate steps to ensure compliance with the U.S. federal securities laws," and finding that the offering of crypto assets at issue in that report were offered and sold as investment contracts and, thus, securities.

FACTS

A. The History of the SafeMoon Token

27. On March 1, 2021, Nagy launched the SafeMoon Token through the use of a "smart contract" that he controlled and deployed on the Binance Smart Chain blockchain. At launch, Nagy "minted" one quadrillion SafeMoon Tokens, burned 223 trillion of them,[3] and transferred the remaining 777 trillion to another smart contract that was programmed to conduct an automated sale of the tokens upon receipt into the smart contract. Nagy's purported vision for SafeMoon, as stated in his marketing materials, was to create a supposedly "entirely community driven" and "self-regenerating automatic liquidity providing protocol" that would pay out rewards to token holders and penalize sellers.

28. Nagy, the creator and founder of SafeMoon, initially attracted investors to the SafeMoon Token through promotional materials for which he had ultimate authority. Specifically, Nagy had the sole and ultimate authority over the content and dissemination of SafeMoon's presale marketing materials, the SafeMoon website, and the SafeMoon whitepaper. Nagy also promoted SafeMoon's offering by touting its profitmaking opportunities, which he dubbed "tokenomics." Nagy marketed the SafeMoon Token's ability to generate profits for investors through features that, according to the SafeMoon whitepaper and website, would "drive the price to stratospheric all-time highs" or "Safely to the Moon."

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[3] Burning crypto assets involves transferring them to a blockchain address that cannot be used for any other purpose than to receive assets. Burning crypto assets often is done for the purpose of increasing the market value of those crypto assets by decreasing the supply in circulation.

29. For example, SafeMoon publicly touted plans to burn SafeMoon Tokens to "keep the community rewarded and informed" and to potentially increase the price of the asset by reducing its circulating supply.

30. In addition, according to its website, SafeMoon "[h]olders can earn passive income and watch their balance grow indefinetely [sic]." As stated in the whitepaper:

> [T]he reflect mechanism encourages holders to hang onto their tokens to garner higher kick-backs which are based upon a percentages [sic] carried out and dependent upon the total tokens held by the owner. In theory, with the manual burn function … even a small holder at the beginning could potentially walk away with big money at the end of the token's lifespan.

This mechanism was one of SafeMoon's central marketing features that the Defendants actively promoted.

B. The SafeMoon Token Presale and Initial Decentralized Exchange Offer, and its Rapid Adoption by the Crypto Asset Community

31. Nagy created the SafeMoon LP, which consisted of the token pair SafeMoon Token and BNB, on a crypto asset trading platform called PancakeSwap.[4] The SafeMoon LP was initially funded by a "presale" of the SafeMoon Token, which was open to the public.

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[4] Through such a platform, users can create "liquidity pools," typically consisting of two or more crypto assets, which are then available for other participants who want to exchange one of those crypto assets for another. Depositors to the liquidity pool are generally referred to as "liquidity providers." They typically deposit a number of crypto asset pairs into the liquidity pool and receive in return a crypto asset, often referred to as a "liquidity provider token" or "LP token," which represents their *pro rata* interest in the liquidity pool and is redeemable at any time for their slice of the pool, typically including accrued trading fees. Typically, participants who trade with a liquidity pool deposit a certain number of crypto asset A and receive a certain number of crypto asset B. The exchange rate between A and B is automatically determined according to a preset formula that is based on the ratio of assets held by the pool and is designed to programmatically adjust prices to match market prices. Thus, as the ratio of crypto asset A to crypto asset B increases, the liquidity pool price of crypto asset A decreases and the price of crypto asset B increases.

32. The presale was the first step in the offering of SafeMoon Tokens to the public using a liquidity pool, a process known in the crypto asset industry as an "Initial Decentralized Exchange Offer" or "IDO."

33. Presale marketing materials posted on the internet by Nagy under the pseudonym "SafeMoon Protocol" represented that all presale "profits" would be automatically transferred into the SafeMoon LP and that SafeMoon Tokens would then be listed on PancakeSwap at four times the presale price, allowing investors to "walk away with an easy 4x gain."

34. SafeMoon Tokens were sold in the presale at one trillion SafeMoon Tokens per BNB. This meant that, at the then-prevailing market price for BNB, 100 billion SafeMoon Tokens cost approximately $2.35.

35. During the presale, Nagy purchased three trillion SafeMoon Tokens for 0.3 BNB (approximately $75 at the time) from the presale smart contract, or $0.0000000000235 per SafeMoon, the same price as the other presale investors. Within hours of its March 1, 2021 launch, the presale reached its "hardcap," *i.e.*, prescribed limit, of 70 BNB (approximately $16,500 at the time).

36. When the presale closed on March 2, 2021, 30 addresses immediately claimed about 694 trillion tokens from the presale smart contract, and the presale smart contract simultaneously transferred 63 trillion SafeMoon Tokens and 61.74 BNB to PancakeSwap to establish the SafeMoon LP.

37. With this amount of SafeMoon Tokens and BNB deposited in the SafeMoon LP, one BNB could buy 1.02 SafeMoon Tokens, or $0.00000000024 per SafeMoon Token at then-prevailing market prices for BNB. This means that the price of the SafeMoon Tokens was instantly ten times higher than the amount investors had paid for the tokens hours earlier,

representing a nearly 1,000% instant return (or 10x) for investors that bought SafeMoon Tokens in the presale.

38. Once Nagy established the SafeMoon LP on PancakeSwap, anyone could access PancakeSwap and buy the SafeMoon Token without limitation—the second step in the plan to distribute the SafeMoon Token to the public. SafeMoon Tokens were tradable through the SafeMoon LP and later through other crypto asset trading platforms.

39. No registration statement was filed or in effect at any time as to any offer or sale of SafeMoon Tokens—not the offers or sales during the presale, nor the offers or sales once the token was available for trading via the SafeMoon LP.

40. Defendants represented to potential investors that they could expect substantial returns. Following the Defendants' marketing campaign, the price and trading volume of the SafeMoon Token on crypto asset trading platforms skyrocketed, increasing in price by more than 55,000% from March 12, 2021, when it had a price of $0.00000002, to when it reached its all-time high of $0.00001118 on April 20, 2021. The Token's total market value also experienced a meteoric rise to over $5.7 billion during this time frame and was held by more than 2.8 million unique addresses.

C. SafeMoon Tokens were Offered and Sold in a Series of Unregistered Securities Transactions

41. Defendants offered and sold SafeMoon Tokens as investment contracts and, therefore, as securities. SafeMoon Token purchasers invested money in a common enterprise and reasonably expected profits or returns derived from the entrepreneurial or managerial efforts of others, in this case, the Defendants.

42. Purchasers obtained SafeMoon Tokens in exchange for an investment of money in the form of BNB another crypto asset security on the BNB Chain.

43. Purchasers of SafeMoon Tokens invested into a common enterprise with other investors. SafeMoon Tokens are fungible with each other, all investors shared equally in price increases—or together suffered price decreases—of the SafeMoon Token. Further, SafeMoon Token investors received a *pro rata* distribution of profits in at least two ways based on the "tokenomics" features of the SafeMoon Token. First, half of the tax on every SafeMoon Token transaction was redistributed to existing holders as a "static reward" or "reflection," which were dividend-like payments that benefited investors directly in proportion to their ownership of SafeMoon Tokens. In addition, SafeMoon represented that they would conduct periodic manual "burning" of SafeMoon Tokens to deflate the supply of available SafeMoon Tokens, which purportedly increased the market price of the SafeMoon Tokens, benefitting SafeMoon Token holders proportionally to their ownership.

44. Moreover, in addition to holding SafeMoon Tokens, Defendants accumulated LP Tokens generated from "taxes" on SafeMoon transactions, which allowed them to redeem assets from the SafeMoon LP. Accordingly, SafeMoon's financial fortunes were inexorably tied to SafeMoon Token investors' financial fortunes.

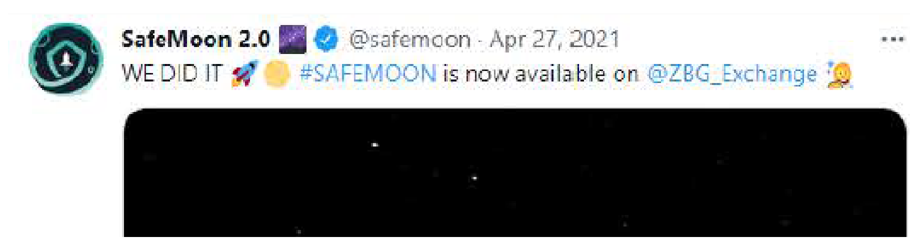
45. Purchasers of SafeMoon Tokens reasonably expected to profit from the efforts of others, in this case, the Defendants. At its inception, SafeMoon's whitepaper stated that SafeMoon "tokenomics" would "drive the price to stratospheric all-time highs," or as its website proclaimed, "[s]afely to the Moon."

Case 2:23-cv-04964 Document 3-5 Filed 11/01/23 Page 22 of 51 PageID #: 661

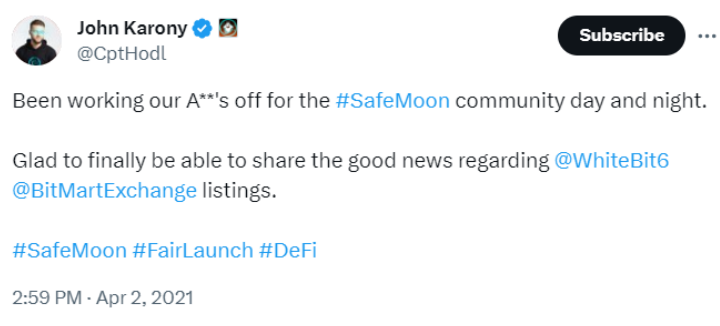
46. After the SafeMoon Token launch in early March 2021, Nagy continued to publicize the offering on the website and the whitepaper, and social media accounts he controlled, including at X (formerly known as Twitter), Discord, Medium, and Telegram. The Defendants took numerous intentional steps to help fuel a dramatic increase in the SafeMoon Token's market price, including a social media campaign further touting the SafeMoon Token's purported safety from "rug pulls" as well as its price, total market value, and trading volume increases; the rapidly rising number of token holders and social media followers; and the token's standing on the "Top Mover" list on CoinMarketCap, a crypto asset market data website.

47. This publicity campaign, aimed at current and potential investors, promoted a reasonable expectation for outsized returns based upon the Defendants entrepreneurial and managerial efforts with respect to the SafeMoon Token. Exploiting imagery widely understood in the crypto asset markets to connote astronomical trading gains, SafeMoon tweeted hundreds of rocketship and moon emojis from their official X account. The image below is an illustrative example.

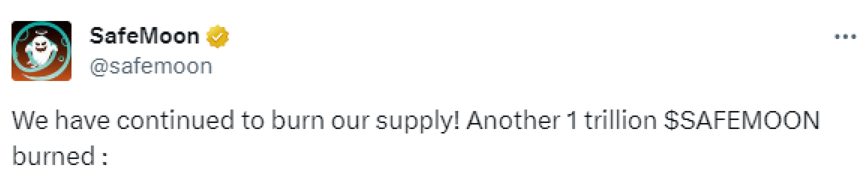
48. SafeMoon also published numerous tweets detailing how the Defendants' efforts would allow SafeMoon Token to trade on various crypto asset trading platforms, thereby increasing SafeMoon Token's market value:



49. From his personal X account, Karony further touted SafeMoon's efforts to bolster the SafeMoon Token:



50. The Defendants also organized SafeMoon Token giveaways on social media and developed additional software to assist investors in trading the SafeMoon Token. SafeMoon advertised that it retained ownership of the SafeMoon smart contract, which allowed it to execute privileged functions, such as setting the "tax" rate and liquidity fees. SafeMoon also claimed that it would continue to make "strategic plays in regards to long term growth of the community and the project." In addition, SafeMoon publicly announced when they would burn SafeMoon Tokens, demonstrating their continued involvement with managing its trading price and volume.



51. SafeMoon also tweeted imagery and language associated with traditional stock market investments, further linking the SafeMoon Token's prospects to that of a traditional stock market investment.

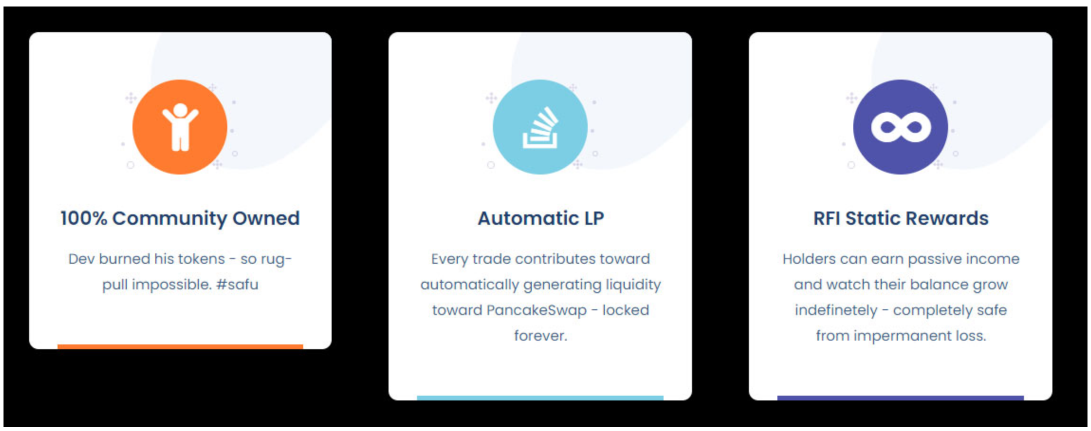
D. Nagy Falsely and Repeatedly Represented that the Assets Retained in the SafeMoon LP Were "Locked" and Inaccessible

52. A significant risk with certain crypto asset offerings is the potential for developers who control the associated smart contracts, like Nagy, Smith and Karony, to misappropriate funds held in the associated smart contract. After he launched SafeMoon, Nagy repeatedly and falsely represented that the assets retained in the SafeMoon LP were protected from misappropriation by the project's developers. Nagy made these false and misleading statements in SafeMoon's presale marketing materials, the SafeMoon website, and the SafeMoon whitepaper. Nagy had the ultimate authority over the content and dissemination of the false and misleading statements in the presale marketing materials, the website, and the whitepaper.

53. SafeMoon's presale marketing materials, which Nagy started to disseminate to investors in early March 2021, stated falsely that (1) the liquidity generated from the SafeMoon

Token presale would be "force lock[ed]" for over four years "to foster trust in the contract"; (2) "5% of all trades are auto-locked inside [the] liquidity provider on PancakeSwap" and automatically locked liquidity "guarantees that the token cannot be rugged by the dev[eloper] simply by removing the [SafeMoon] LP"; and (3) SafeMoon was "Completely Rug Free."

54. SafeMoon's website, which Nagy launched on March 6, 2021, stated (1) the "automatically generating liquidity" contributed by every trade in PancakeSwap was "locked forever"; (2) "Rug-pull impossible"; and (3) SafeMoon "#safu" (slang for safe).



55. SafeMoon's whitepaper similarly contained a "Step-by-Step Plan to Ensure 100% Safety," which included "LP Locked … for 4 years" and "LP Generated With Every Trade & Locked On Pancake[Swap]."

56. Nagy knew or was reckless in not knowing that these statements were materially false and misleading. Nagy programmed the SafeMoon LP code, meaning that he knew that there was no such LP Token lock mechanism, as he falsely told the public.

57. The SafeMoon Token smart contract source code, which Nagy posted on GitHub (a code repository) in early March 2021, also explained that it would "foster trust in the community by auto-locking liquidity for 4 years" assuring once again "no rug is possible."

58. Karony and Smith, at various times, also disseminated the false information that the assets held in the SafeMoon LP were protected from misappropriation. For example, Karony, as SafeMoon's CEO, directed Nagy to send the whitepaper to a SafeMoon employee, and Smith, in turn, instructed the employee to use the information in the whitepaper to answer questions from the community. Karony also represented on occasion to the SafeMoon investor community that the assets in the SafeMoon LP were protected from misappropriation or "locked." As alleged above, this was not true because the Defendants continuously accumulated LP Tokens from "taxed" SafeMoon Token transactions, which allowed them improperly to remove these retained assets from the SafeMoon LP at will.

59. Contrary to these assertions, Nagy did not protect assets in the SafeMoon LP from misappropriation by the project's developers. Within two weeks of the SafeMoon Token launch, Nagy had already redeemed LP Tokens to transfer more than $500,000 worth of purportedly "locked" retained assets from the SafeMoon LP to the SafeMoon Contract Owner Address under his control.

60. Moreover, from the beginning Karony and Smith, like Nagy, knew or recklessly disregarded, that these statements were materially false and misleading. As early as March 16, 2021, in a conversation between Karony and Smith, Karony candidly observed, "we could also

Case 2:23-cv-... Document 1 Filed 11/01/23 PageID.67 Page 27 of 51

just update the whitepaper [to say SafeMoon LP assets would be used for business development] … we could literally just put it in the whitepaper and call it a day." Smith responded that the whitepaper could be "much better." But neither Karony nor Smith disclosed the truth to public investors at this time.

E. When Caught, the Defendants Doubled Down on their Misrepresentations and Misappropriated Assets Held in the SafeMoon LP

61. On April 20, 2021, which turned out to be the date of SafeMoon Token's all-time high price, a social media account called "WarOnRugs" tweeted a "Scam Advisory" about SafeMoon and the SafeMoon Token. The advisory asserted that the smart contract owner controlled a majority of the SafeMoon LP and could pull tokens from it.

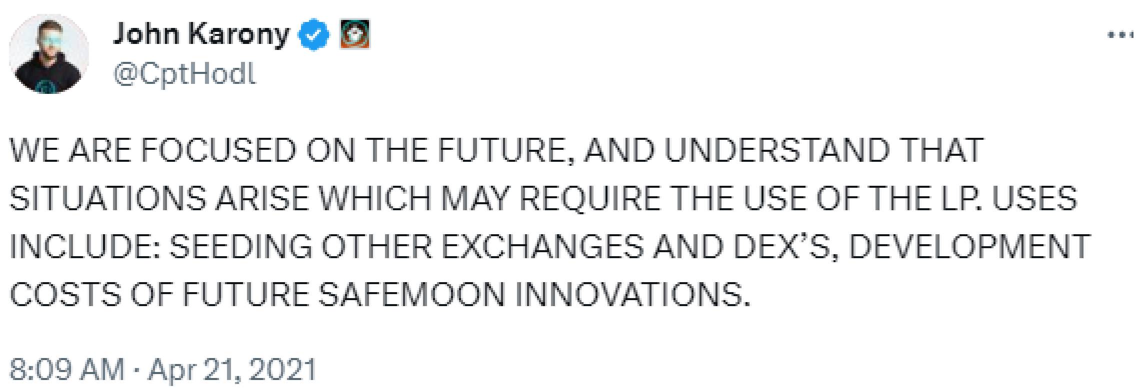
62. This warning—which was correct—exposed the falsity of Defendants' public claims that they could not pilfer assets held in the SafeMoon LP.

63. Instead of acknowledging their fraud, however, the Defendants doubled down. That same day, Karony responded to a large group of his followers on a separate social media platform that the post by "WarOnRugs" was "biased, [because] the original poster supports another coin so what they are saying is biased." He went on to reiterate that the "5% LP is Split, 2.5% goes to locked LP, and the other 2.5% is manually locked or left alone if needed for dev

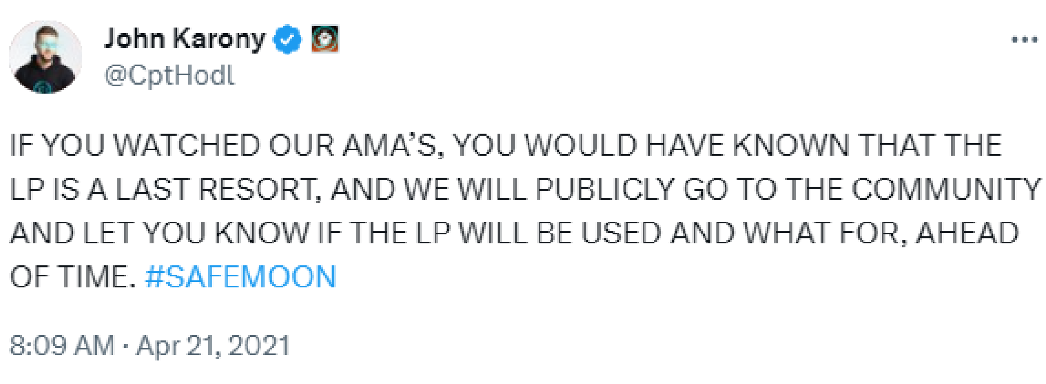
Case 2:23-cv-04... Document 1 Filed 05/01/23 Page 28 of 51 PageID: 2720

costs or to SEED DEXS AND EXCHANGES." Just minutes later, Nagy wrote privately to Karony that this statement was wrong. Nagy explained, candidly and contrary to how he previously marketed the SafeMoon Token to the public, "5% liquidity is added to the contract owner address. 2.5% is not ever locked."

64. The following day, April 21, 2021, Karony sent out a series of tweets where he admitted that what the Defendants had described as liquidity pool "locking" was not "automatic" at all, but rather within SafeMoon's discretion. Karony also tweeted about the circumstances where the Defendants would use the SafeMoon LP assets they previously claimed were locked:



65. Karony misleadingly assured his twitter followers that he would alert them before making use of any funds from the SafeMoon LP, which he falsely represented was a "last resort" for SafeMoon.



66. Later that same day, Karony and Smith participated in a question-and-answer session—colloquially, an "AMA" or "Ask Me Anything"—that was live streamed over the internet. During the AMA, Karony clarified that "the LP lock is automated, not automatic." Karony repeated that "situations may require the use of the LP" to "seed[] other exchanges" and "as in the last resort for development costs." Karony once again falsely assured his viewers and listeners, "if we are going to do something with the LP, we'll tell you."

67. Smith was viewable on the left side of the live-stream AMA with Karony, who was viewable on the lower-right section of the screen, and added: "As John was saying, if something comes up that makes sense, we're gonna tell you, and then we're gonna judge our reaction based on your reaction. It's a perfect symbiosis of the community and what we're doing. It's awesome." Karony indicated his approval of Smith's comments by stating, "Yeah. Hundred percent."

68. Despite Karony and Smith's attempts at damage control, after it was disclosed on April 20, 2021 that the SafeMoon LP was not locked as Defendants had described, the SafeMoon Token price plummeted almost 50% the following day.

69. In further response to the "Scam Advisory," SafeMoon submitted its token contract for a third-party audit. The audit concluded that there was no restriction, or "lock," as to the SafeMoon Tokens generated from "taxed" SafeMoon Token transactions. The auditor viewed this as a "major risk" that could "have devastating consequences to the project as a whole." Though the audit recommended restricting control of the SafeMoon LP, SafeMoon instead argued publicly that its team needed "additional control" to make "continued strategic plays in regards to long term growth" and claimed "[r]isks in regard to rug-pulls" are mitigated because "every member of SafeMoon would be subject to litigation and likely a swift prison

sentence . . . [and] our social lives would be in ruin, and we would not be able to show our faces in public again, let alone get another job."

70. Despite assuring their AMA viewers and social media followers on April 21, 2021 that they would "publicly go to the community and let [the community] know if the [SafeMoon] LP will be used and what for, ahead of time," just over two weeks later on May 6, 2021, the Defendants transferred more than $1,200,000 worth of BNB and SafeMoon Tokens from the SafeMoon LP to the SafeMoon Contract Owner Address, without first disclosing to the community any information about the transaction or its purpose.

71. Notwithstanding the Defendants efforts to lull investors during the April 2021 AMA and related tweets, Karony, Smith and Nagy knew, or were reckless in not knowing, that any withdrawals from the SafeMoon LP were contrary to SafeMoon's initial representations to investors that assets within the SafeMoon LP were locked and inaccessible to the Defendants for at least four years.

72. Contrary to their explicit representations, not only did the Defendants have unfettered access to the SafeMoon LP by virtue of their control of LP Tokens, Nagy, Smith, and Karony in fact redeemed LP Tokens to misappropriate millions of dollars' worth of assets from the SafeMoon LP. In practical terms, Nagy, Smith, and Karony burned their LP Tokens through PancakeSwap and received in return a portion of the SafeMoon Tokens and BNB that were held within the SafeMoon LP. These LP Tokens were generated from a portion of the tax on all SafeMoon Token transactions. The Defendants wrongfully redeemed or withdrew the following tokens between March 5, 2021 and May 11, 2022:

	Unlocked LP Tokens Redeemed	SafeMoon Withdrawn from SafeMoon LP	USD$ Value	BNB Withdrawn from SafeMoon LP	USD$ Value
Nagy	(4,179.18)	94,272,298,200,000	$408,458	933	$273,249
Smith	(40,181.07)	13,416,224,600,000	$75,109,074	160,894.14	$77,056,022
Karony	(64,639.69)	67,452,774,200,000	$123,563,838	107,546.94	$54,729,971

73. The Defendants used the proceeds of these withdrawals, in part, to fund their lavish lifestyles, including to purchase luxury homes, travel and expensive cars. Neither Nagy, Karony, nor Smith alerted SafeMoon Token holders of these withdrawals, as Karony had promised in his April 21, 2021 tweets and as Karony and Smith promised at the April 21, 2021 AMA.

F. Karony Engaged in Manipulative Trading in the SafeMoon Token

74. Karony opened an account on a crypto asset trading platform, in which he began trading on April 5, 2021. Between April 9, 2021 and December 31, 2021, Karony executed approximately 227,000 trades in SafeMoon Tokens in this account, which he controlled. Within that account, Karony simultaneously and repeatedly purchased and sold the same number of SafeMoon Tokens at the same price at the same time. The account traded more than 50 trillion SafeMoon Tokens back and forth with itself in this way, with none of the trades resulting in a change in ownership. The wash trading constituted 84.3% of the trades (by count) and 98.8% of the total unit volume. On 188 trading days, or 80% of the 236-day total trading days for the SafeMoon Token, more than 95% of the buys, sells or both in the account were attributable to this wash trading.

G. Karony and Smith Manipulated the Price of the SafeMoon Token By Using Funds Removed From the SafeMoon LP in Order to Attract Investors

75. Karony and Smith engaged in additional fraudulent manipulation of the SafeMoon Token by redeeming LP Tokens and then using withdrawn BNB tokens to make large

purchases of SafeMoon Tokens, driving up their value relative to BNB tokens. The opportunity to engage in this manipulation presented itself when PancakeSwap announced in late April 2021 that it would upgrade its standard LP smart contract from version one ("V1") to version 2 ("V2"). Because of the upgrade, PancakeSwap would ultimately discontinue support for liquidity pools created with the V1 smart contract, such as the SafeMoon LP. Liquidity pools created with the V1 smart contract, like the SafeMoon LP, needed to "migrate" their liquidity to a new V2 liquidity pool. Therefore, it was expected that large volumes of liquidity would be transferred from the SafeMoon LP V1 (hereinafter, "SafeMoon LPV1") to a new SafeMoon LP V2 ("SafeMoon LPV2").

76. As a general matter, the migration of liquidity from one liquidity pool to another was a relatively simple process. To accomplish this, liquidity would need to be removed from a V1 liquidity pool by redeeming all current LP tokens (the tokens received for adding liquidity) in exchange for the underlying crypto assets in the liquidity pool. Those crypto assets would then need to be paired together and added as liquidity in a new V2 liquidity pool, in exchange for new LP tokens.

77. In the early morning of May 12, 2021, shortly after midnight, Smith and Karony initiated the migration from the SafeMoon LPV1 to the SafeMoon LPV2, by removing approximately 14,800 BNB and 963 billion SafeMoon Tokens from the SafeMoon LPV1, and shortly thereafter, adding approximately 13,500 BNB and 867 billion SafeMoon Tokens to the SafeMoon LPV2.

a. The May 12th Manipulation of the SafeMoon Token

78. On May 12, 2021, beginning at approximately 10:00 a.m., Smith and Karony withdrew approximately 3.8 trillion SafeMoon tokens and 56,940 BNB, worth approximately

$68.6 million total, from the SafeMoon LPV1 in two transactions. Rather than add this liquidity into the SafeMoon LPV2, as the SafeMoon Token investors would have expected, Smith and Karony sold approximately 4.1 trillion SafeMoon Tokens in exchange for approximately $8.83 million in another crypto asset. In a private conversation over Discord, Karony and Nagy discussed a plan to use $830,000 of the proceeds of this transaction for company expenses and to split the remaining $8 million.

79. None of the Defendants publicly disclosed to the SafeMoon community that they would withdraw assets from the SafeMoon LPV1 for personal use.

80. Smith used about 58,220 BNB to purchase more SafeMoon Tokens in the SafeMoon LPV2, causing a dramatic increase in value of the SafeMoon Tokens relative to BNB. As Smith informed Karony just after purchasing about 1 trillion SafeMoon Tokens for 13,220 BNB worth more than $7.9 million:

> [P]eople are going to geek out over that buy I just did to make up the difference in a good way … I did a 13k bnb buy to make the difference on the lost [SafeMoon Tokens from the 10% tax], should have shot the price up. We have 45376 bnb remaining. Clean $30,222,901.20 in bnb on standby, $30m in usdt [referring to the crypto asset known as Tether] incoming. It's a pretty good day and the price is up, win win.

81. Indeed, SafeMoon's investors immediately noticed the dramatic price impact of Smith's large trades. Less than an hour later, Smith used 22,500 BNB worth approximately $13.5 million to purchase about 1.5 trillion SafeMoon from the SafeMoon V2LP. Two minutes later, Smith used another 22,500 BNB worth an additional approximately $13.5 million to buy 1.28 trillion additional SafeMoon Tokens.

82. Through this series of transactions on May 12, Karony and Smith created the artificial appearance of active trading and attempted to raise the price of the SafeMoon Tokens, for the purpose of inducing the purchase of SafeMoon Tokens by others.

b. The May 19th Manipulation of the SafeMoon Token

83. On May 19, 2021, Smith messaged Karony on Discord that Smith could "move all the available" liquidity from SafeMoon LPV1 to SafeMoon LPV2. Smith suggested that they instead could remove liquidity from SafeMoon LPV1 and use the resulting BNB to purchase SafeMoon Tokens from SafeMoon LPV2, as they had done the week prior on May 12th. Karony wrote to Smith, "do a v2 bnb buy," meaning, purchase SafeMoon Tokens from SafeMoon LPV2 using BNB removed from SafeMoon LPV1, "if that will increase the price."

84. Karony asked Smith if "we can do it a little slower this time around?" Smith assured Karony that he would "plug it through the day starting when I get back all the way to midnight." This in contrast to Smith's conduct on May 12 when he bought nearly $35 million in SafeMoon Tokens in about one hour.

85. Karony gave Smith detailed instructions on how to trade the SafeMoon Token. For example, Karony told Smith, "lets create a price floor[.]" Karony also asked Smith, "how big of a yeet [purchase of SafeMoon Token] is needed to pump [the price] to 5." Smith assured Karony that he "can just thrash it [i.e., purchase SafeMoon Tokens] just under the diminishing returns until we hit 5 Np [no problem]." Karony replied hopefully, "[i]n all Reality the best thing to do would to be to counter all the sells. Then add 26% [to the price]."

86. Karony told Smith how much SafeMoon Tokens to purchase and when, including detailed instructions such as "50bnb buy [of SafeMoon Token] every 5 minutes" initially, then

"200bnb x 3 then 50bnb x till done." These instructions were followed by corresponding transactions in which Smith executed the manipulative strategy discussed with Karony.

87. In total the Defendants used about 58,221 BNB removed from the LPV1 to purchase SafeMoon Tokens from LPV2, with the intent of manipulating the price of the SafeMoon Tokens higher and, as their internal private conversations show, in order to attract investors to buying SafeMoon Tokens.

88. None of the Defendants publicly disclosed to the SafeMoon community that they would withdraw assets from the SafeMoon LPV1 to purchase additional SafeMoon Tokens or manipulate its market price.

COUNT I – FRAUD

Violations of Section 17(a)(1) of the Securities Act
[15 U.S.C. § 77q(a)(1)]
(Against All Defendants)

89. Paragraphs 1 through 88 are realleged and incorporated herein by reference.

90. Defendants, knowingly or recklessly, acting with scienter, in the offer or sale of securities and by the use of means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, employed a device, scheme, or artifice to defraud.

91. By reason of the foregoing, Defendants, directly and indirectly, have violated and, unless enjoined, will continue to violate Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

COUNT II – FRAUD

Violations of Sections 17(a)(2) of the Securities Act
[15 U.S.C. §§ 77q(a)(2)]
(Against Defendant Nagy)

92. Paragraphs 1 through 88 are realleged and incorporated herein by reference.

93. Defendants, acting knowingly, recklessly, or negligently in the offer or sale of securities and by the use of means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

94. By reason of the foregoing, Defendants, directly and indirectly, have violated and, unless enjoined, will continue to violate Sections 17(a)(2) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

COUNT III – FRAUD

Violations of Sections 17(a)(3) of the Securities Act
[15 U.S.C. §§ 77q(a)(3)]
(Against All Defendants)

95. Paragraphs 1 through 88 are realleged and incorporated herein by reference.

96. Defendants, acting knowingly, recklessly, or negligently in the offer or sale of securities and by the use of means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, engaged in transactions, practices, or a course of business which operated or would have operated as a fraud or deceit upon the purchaser.

97. By reason of the foregoing, Defendants, directly and indirectly, have violated and, unless enjoined, will continue to violate Sections 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

COUNT IV – FRAUD

Violations of Section 10(b) of the Exchange Act
and Rules 10b-5(a) and (c) thereunder
[15 U.S.C. § 78j(b), 17 C.F.R. § 240.10b-5]
(Rule 10(b)-5(a) and (c) Against All Defendants)

98. Paragraphs 1 through 88 are realleged and incorporated by reference herein

99. Defendants, knowingly or recklessly, acting with scienter and in connection with the purchase or sale of securities and by the use of any means or instrumentality of interstate commerce or by use of the mails or any facility of any national securities exchange, directly or indirectly, (a) employed a device, scheme, and artifice to defraud, and (c) engaged in acts, practices, or a course of business which operated or would have operated as a fraud or deceit upon sellers, purchasers, or prospective purchasers of securities.

100. By engaging in the conduct described above, Defendants violated, and unless enjoined will continue to violate, Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) thereunder [15 U.S.C. § 78j(b), 17 C.F.R. § 240.10b-5(a) and (c)].

COUNT V – FRAUD

Violations of Section 10(b) of the Exchange Act
and Rules 10b-5(b)thereunder
[15 U.S.C. § 78j(b), 17 C.F.R. § 240.10b-5]
(Rule 10(b)-5(b) Against Nagy)

101. Paragraphs 1 through 88 are realleged and incorporated by reference herein.

102. Defendant Nagy, knowingly or recklessly, acting with scienter, and in connection with the purchase or sale of securities and by the use of any means or instrumentality of interstate commerce or by use of the mails or any facility of any national securities exchange, directly or indirectly, (b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

103. By engaging in the conduct described above, Defendant Nagy violated, and unless enjoined will continue to violate, Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder [15 U.S.C. § 78j(b), 17 C.F.R. § 240.10b-5(b)].

<u>COUNT VI – FRAUD</u>

Violations of Section 9(a)(2) of the Exchange Act
[15 U.S.C. § 78i(a)(2)]
<u>(Against Defendants Karony, Smith, SafeMoon LLC, and SafeMoon US LLC)</u>

104. Paragraphs 1 through 88 are realleged and incorporated herein by reference.

105. By virtue of the foregoing, Defendants, directly or indirectly, by use of the means or instrumentalities of interstate commerce or the facilities of a national securities exchange or the mail, effected, alone or with one of more persons, a series of transactions in a security registered on a national securities exchange, a security not so registered, or in connection with a security-based swap or security-based swap agreement with respect to such security creating actual or apparent active trading in such security, or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others.

106. By engaging in the conduct described above, Defendants violated, and unless enjoined will continue to violate, Section 9(a)(2) of the Exchange Act [15 U.S.C. § 78i(a)(2)].

<u>COUNT VII – UNREGISTERED OFFERS AND SALES OF SECURITIES</u>

Violations of Sections 5(a) and 5(c) of the Securities Act
[15 U.S.C. §§ 77e(a) and 77e(c)]
<u>(Against All Defendants)</u>

107. Paragraphs 1 through 88 are realleged and incorporated by reference herein.

108. By virtue of the foregoing, without a registration statement in effect as to any offers or sales of the SafeMoon Token, Defendants, directly and indirectly, (a) made use of the means and instruments of transportation or communications in interstate commerce or of the mails to sell securities through the use of medium of any prospectus or otherwise; (b) carried or caused to be

carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; and (c) made use of the means and instruments of transportation or communication in interstate commerce or of the mails to offer to sell through the use or medium of a prospectus or otherwise, securities as to which no registration statement had been filed.

109. By engaging in the conduct described herein, Defendants violated, and unless enjoined will continue to violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)].

PRAYER FOR RELIEF

The SEC respectfully requests that the Court enter a Final Judgment:

1. Finding that Defendants committed the violations alleged in this Complaint;

2. Permanently restraining and enjoining Defendants from violations of the following provisions: Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c), 77q(a)], Sections 9(a)(2) and 10(b) of the Exchange Act [15 U.S.C. §§ 78i(a)(2), 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

3. Permanently prohibiting Defendants, pursuant to Section 20(b) of the Securities Act [15 U.S.C. § 77t] and Sections 21(d)(1) and 21(d)(5) of the Exchange Act [15 U.S.C. §§ 78u(d)(1) and 78u(d)(5)], from (i) participating, directly or indirectly, including, but not limited to, through any entity controlled by [Defendants], in any offering of crypto asset securities; provided, however, that such injunction shall not prevent [Defendant] from purchasing or selling any crypto asset security, for [his] own personal account;

4. Ordering Defendants to disgorge all ill-gotten gains from the illegal conduct alleged in this Complaint, plus pay prejudgment interest, pursuant to Sections 21(d)(3), (5), and (7) of the Exchange Act [15 U.S.C. §§ 78u(d)(3), (5), (7)];

5. Ordering Defendants to pay civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)] in an amount to be determined by the Court; and

6. Granting any other and further relief this Court may deem just and proper.

JURY TRIAL DEMAND

The SEC demands a trial by jury as to all issues that may be so tried.

Dated: November 1, 2023

Respectfully submitted,

/s/ Oren Gleich
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EXHIBIT 5

Signed as modified by the Court.

This order is SIGNED.

Dated: December 3, 2025

PEGGY HUNT
U.S. Bankruptcy Judge

jas

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Attorneys for Chapter 7 Trustee

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

In re: **SAFEMOON US LLC,** Debtor.	Bankruptcy Case No. 23-25749 Chapter 7 Honorable Peggy Hunt

~~PRELIMINARY~~ ORDER CONTINUING HEARING ON MOTION OF CHAPTER 7 TRUSTEE, PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 9019 AND 7023, TO: (I) APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE TRUSTEE AND LEAD PLAINTIFFS IN SECURITIES CLASS ACTION, AND (II) GRANT RELATED RELIEF

Upon the motion [Dkt. No. 302] (the "***Motion***")[1] of Ellen E. Ostrow (the "***Trustee***"), the duly-appointed trustee in the above-entitled Chapter 7 bankruptcy case filed by SafeMoon US LLC (the "***Debtor***"), by and through her undersigned counsel, for entry of an order, pursuant to 11 U.S.C. § 105 and Rules 7023 and 9019 of the Federal Rules of Bankruptcy Procedure, ~~requesting approval of~~ approving a settlement with the Lead Plaintiffs as set forth in the *Stipulation and Agreement of Settlement of Release* attached as Exhibit 1 to ~~in~~ the Motion (the "***Stipulation***"); due and sufficient notice of the Motion and of hearing having been given under applicable law pursuant to a notice [Dkt. No. 303] ~~the particular circumstances~~ and it appearing from the notice and an affidavit of service [Dkt. No. 304] that no other or further notice need be given; objections having been filed to the Motion by Michael Suminski [Dkt. No. 305] and Braden John Karony, Ronin Real Estate Holdings LC and Ronin Crypto Group LC [Dkt. No. 308] (together, the "***Objections***"); the Court having conducted a preliminary hearing on the Motion on November 20, 2025 (the "***Preliminary Hearing***")~~; in light of the arguments of counsel at the Preliminary Hearing, the Court~~ and having determined that the Preliminary Hearing on the Motion should be continued, ~~decided to grant the limited relief on the Motion that is provided herein,~~ while reserving all ~~other~~ issues ~~under~~ raised in the Motion and consideration of the Objections for a subsequent hearing in this Court, to allow the parties to first seek approval of the Settlement in the United States District Court for the District of Utah pursuant to the Settlement's terms; and after due deliberation thereon and good and sufficient cause appearing therefor,

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Trustee is authorized to ~~pursue approval of the Settlement~~ proceed in the United States District Court for the District of Utah to take all actions necessary to implement the Settlement in that Court.

[1] Capitalized terms not otherwise herein defined have the meaning ascribed to them in the Motion.

2. The Preliminary Hearing ~~This Court shall hold a further status hearing~~ on the Motion is continued to ~~on~~ February 25, 2026, at 2:00 pm.

3. The rights of the Trustee and Lead Plaintiffs, as well as the persons who filed Objections, shall be preserved for any final hearing on the Motion.

--- END OF ORDER ---

DESIGNATION OF PARTIES TO RECEIVE NOTICE OF COURT ORDER

Service of the foregoing ~~**PRELIMINARY**~~ **ORDER CONTINUING HEARING ON MOTION OF CHAPTER 7 TRUSTEE, PURSUANT TO SECTION 105 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 9019 AND 7023, TO: (I) APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE TRUSTEE AND LEAD PLAINTIFFS IN SECURITIES CLASS ACTION, AND (II) GRANT RELATED RELIEF** shall be served on the parties in the manner designated below:

By Electronic Service: I certify that the parties of record in this case, as identified below, are registered CM/ECF users.

- **Matthew James Burne** matthew.burne@usdoj.gov, James.Gee@usdoj.gov; Lindsey.Huston@usdoj.gov; Rinehart.Peshell@usdoj.gov; Rachelle.D.Hughes@usdoj.gov; Brittany.Dewitt@usdoj.gov
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- **Brian M. Rothschild** brothschild@parsonsbehle.com, tbarton@parsonsbehle.com, travlor@hlh.law

By U.S. Mail: In addition to the parties of record receiving notice through the CM/ECF system, the following parties should be served notice pursuant to Fed. R. P. 5(b).

- ~~All parties on the Court's official matrix.~~

~~*/s/ Elisha Teed*~~

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