IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

DANIEL JAIYONG AN, AN INDIVIDUAL, Plaintiff, v. RAFAEL COSMAN, an individual, ALEX DE LORRAINE, an individual, and TOM SHIELDS, an individual, ARCHBLOCK, INC., A DELAWARE CORPORATION (F.K.A TRUSTLABS INC.) Defendants.	C.A. No. _____

VERIFIED COMPLAINT

Plaintiff Daniel Jaiyong An ("Plaintiff" and "Jai"), while self-representing himself, files this Verified Complaint against Defendants Rafael Cosman ("Rafael"), Alex De Lorraine ("Alex"), Tom Shields ("Tom"), together as Defendants ("Defendants"), and Archblock, Inc. (f/k/a TrustLabs, Inc.), hereinafter "TrustLabs" or the "Company", alleges as follows:

NATURE OF THE CASE

Parties

1. Plaintiff is Daniel Jaiyong An ("Jai"), co-founder and former CEO of TrustLabs (also known as Archblock). He is a U.S. citizen residing in Puerto Rico.
2. Defendants are Rafael Cosman ("Rafael," co-founder and current board member), Alex De Lorraine ("Alex," COO and former board member), Tom Shields ("Tom," former chairman of the board), and TrustLabs itself.
3. TrustLabs is a blockchain software company Jai and Rafael founded in 2015. It has created products like TrueUSD stablecoin and TrueFi lending protocol.

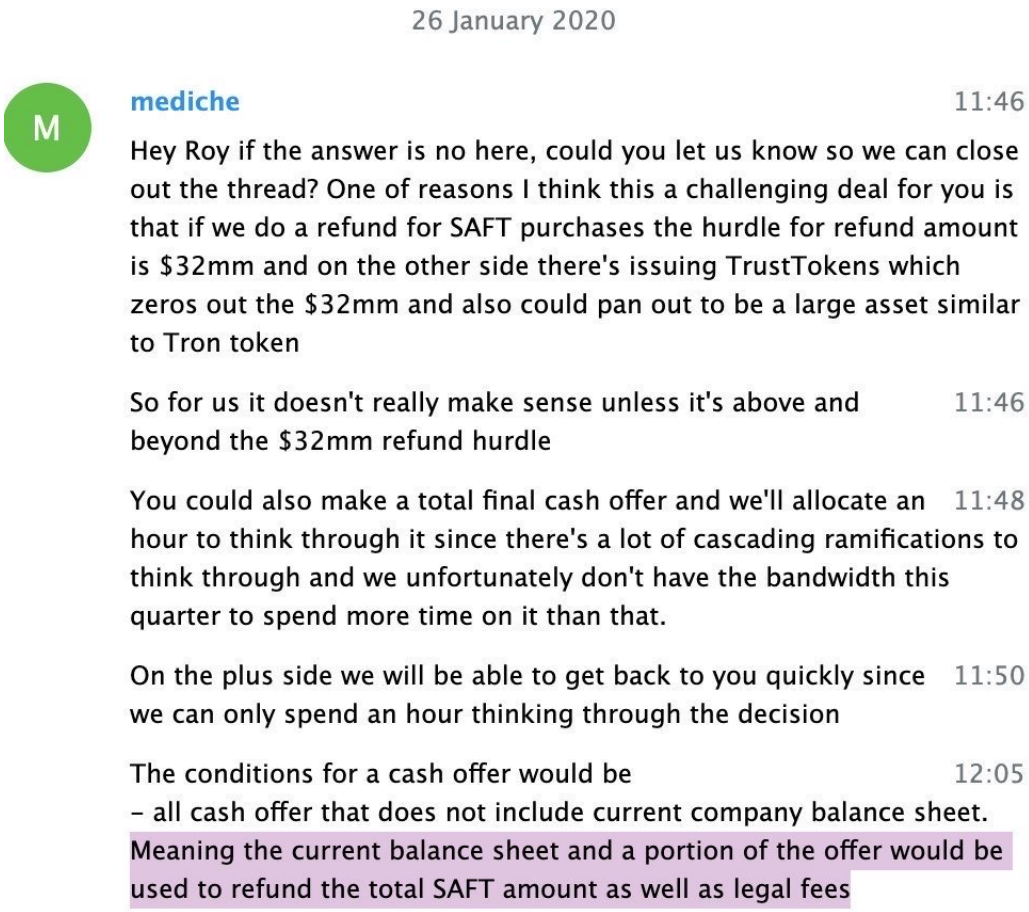
Factual Background

4. Jai and Rafael founded TrustLabs in 2015 with equal 50% stakes in the company, comprising together 100% and diluting to hold now 45% each. They offered Simple Agreement for Future Tokens (SAFTs) to investors in 2017-2018, which gave investors the right to receive TRU tokens upon the launch of the TrustToken platform described in the white paper.
5. The white paper described a platform for tokenizing real-world assets like real estate on the blockchain. $32 million was raised from investors.
6. The first product launched was TrueUSD stablecoin in March 2018, which is pegged to the US dollar. This was funded by TrustLabs but is separate from the TRU tokens investors were supposed to receive.
7. When it became clear there was no regulatory pathway for the envisioned TrustToken platform, Jai wanted to offer investors updated disclosures and the

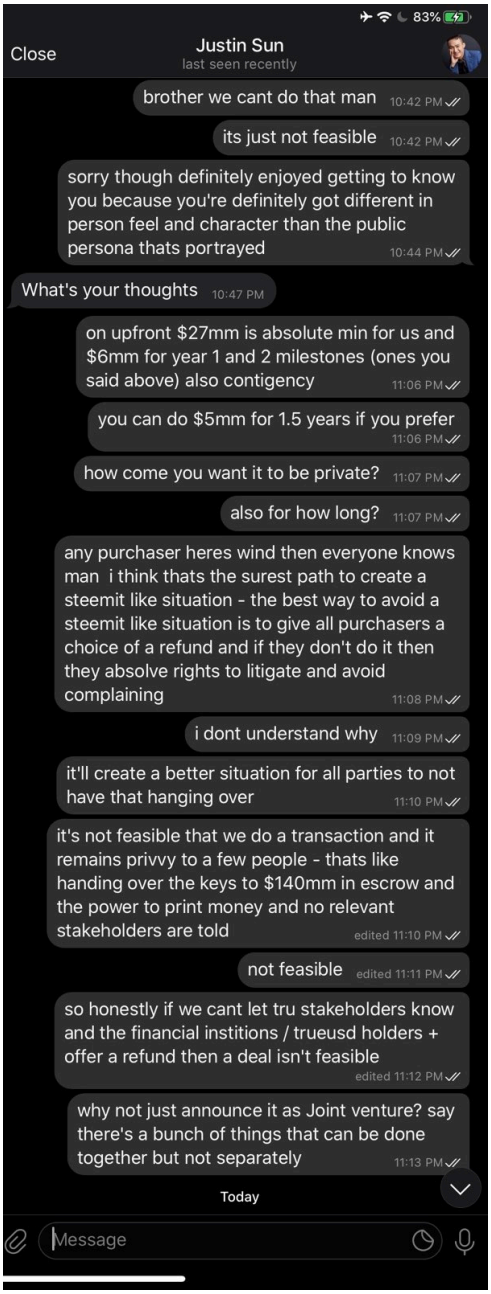
option of a refund since the TRU tokens and new product direction would differ substantially from what was originally described in the securities offering documents.

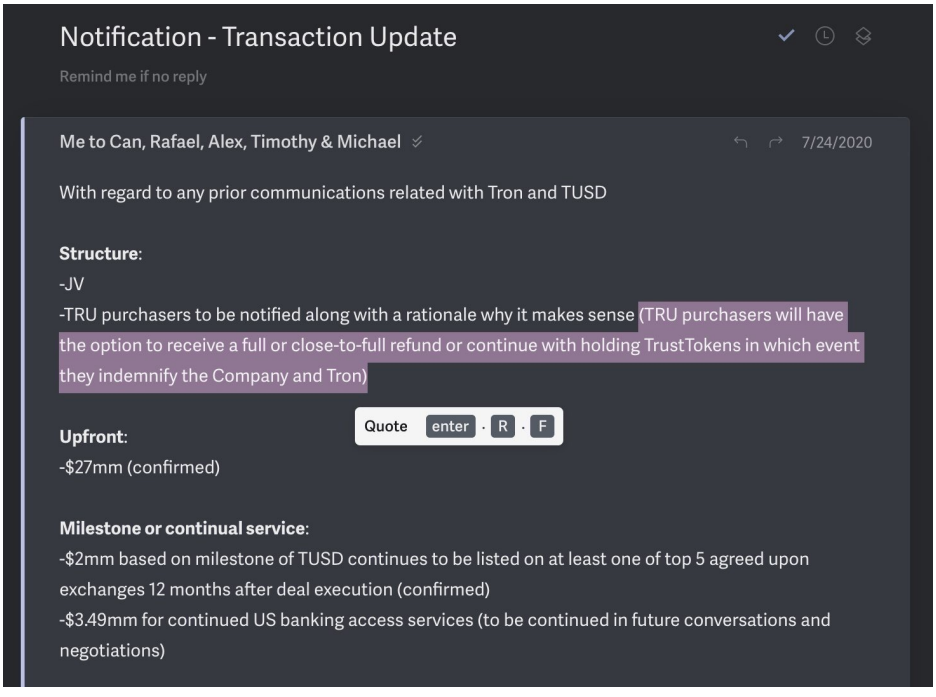
8. Jai felt that proceeding without informing investors of the changes and providing the option of a refund would constitute securities fraud, based on consultations with internal and external counsel.

9. Through numerous conversations with internal team and the potential acquirer, Tron, I repeatedly iterated that a refund offer would be tied to any acquisition of TrueUSD, despite Rafael wanting to maximize self gain and commit fraud:



10.


83%
Close
Justin Sun
last seen recently
brother we cant do that man 10:42 PM
its just not feasible 10:42 PM
sorry though definitely enjoyed getting to know you because you're definitely got different in person feel and character than the public persona thats portrayed 10:44 PM
What's your thoughts 10:47 PM
on upfront $27mm is absolute min for us and $6mm for year 1 and 2 milestones (ones you said above) also contigency 11:06 PM
you can do $5mm for 1.5 years if you prefer 11:06 PM
how come you want it to be private? 11:07 PM
also for how long? 11:07 PM
any purchaser heres wind then everyone knows man i think thats the surest path to create a steemit like situation - the best way to avoid a steemit like situation is to give all purchasers a choice of a refund and if they don't do it then they absolve rights to litigate and avoid complaining 11:08 PM
i dont understand why 11:09 PM
it'll create a better situation for all parties to not have that hanging over 11:10 PM
it's not feasible that we do a transaction and it remains privvy to a few people - thats like handing over the keys to $140mm in escrow and the power to print money and no relevant stakeholders are told edited 11:10 PM
not feasible edited 11:11 PM
so honestly if we cant let tru stakeholders know and the financial institions / trueusd holders + offer a refund then a deal isn't feasible edited 11:12 PM
why not just announce it as Joint venture? say there's a bunch of things that can be done together but not separately 11:13 PM
Today
Message


Notification - Transaction Update
Remind me if no reply
Me to Can, Rafael, Alex, Timothy & Michael
7/24/2020
With regard to any prior communications related with Tron and TUSD
Structure:
-JV
-TRU purchasers to be notified along with a rationale why it makes sense (TRU purchasers will have the option to receive a full or close-to-full refund or continue with holding TrustTokens in which event they indemnify the Company and Tron)
Quote enter · R · F
Upfront:
-$27mm (confirmed)
Milestone or continual service:
-$2mm based on milestone of TUSD continues to be listed on at least one of top 5 agreed upon exchanges 12 months after deal execution (confirmed)
-$3.49mm for continued US banking access services (to be continued in future conversations and negotiations)

11.

12.

13. Rafael and others denied Jai's request and voted him out as CEO in July 2020 so they could move forward with a different lending product called TrueFi without offering refunds or additional disclosures to investors.

14. Jai alleges he was removed so Defendants could avoid their disclosure obligations under securities laws and self-enrich through the new product direction, at the expense of the original SAFT investors.

15. After removing Jai, Rafael and others allegedly enriched themselves by granting themselves TRU tokens while excluding Jai. They also allegedly transferred assets to a Cayman Islands entity they control.

16. In addition to past alleged misconduct, Jai is seeking declaratory and injunctive relief related to a proposed merger by TrustLabs designed to redomicile the company to Switzerland.

17. Jai alleges this merger attempt in June 2023 is an effort by the Defendants to further entrench their control and ownership at the expense of Jai's shareholder rights.

18. The complaint seeks to enjoin and declare the proposed merger invalid as a violation of Delaware law and TrustLabs' charter.

Jai's Claims

19. Jai alleges violations of his shareholder rights, including being excluded from a token dividend.

20. He alleges breach of contract regarding founder token grants that were granted to Rafael but not Jai.

21. He alleges breach of fiduciary duties for approving transactions to benefit themselves and for transferring assets to a Cayman entity.

22. He claims unjust enrichment from the TRU tokens Defendants granted themselves.

23. He is seeking declaratory and injunctive relief related to a proposed merger designed to further entrench Defendants' control.

24. He is also seeking damages, an accounting, and other remedies.

25. In summary, Jai alleges he was pushed out of TrustLabs so the remaining Defendants could enrich themselves through self-dealing and by betraying the expectations of investors who bought SAFTs to fund a very different platform than what was ultimately built. The complaint aims to hold Defendants accountable for this alleged misconduct.

PARTIES

26. Plaintiff, Daniel Jaiyong An ("Jai"), is co-founder former CEO of TrustLabs. He is a citizen of the United States and a resident of Puerto Rico.

27. Defendant, TrustLabs Inc. ("TrustLabs"), is a Delaware corporation with offices in San Francisco, California. TrustLabs is a blockchain-focused software development company that created and developed TrueUSD (TrueCoin) and TrueFi protocol, with d.b.a. TrustToken and Archblock.

28. Defendant Rafael Cosman (“Rafael”) is the Co-Founder and current Board Member of TrustLabs. He resides in California.

29. Defendant Alex de Lorraine (“Alex”) is the current Chief Operating Officer, Chief Financial Officer, and former Board Member of TrustLabs. He resides in California.

30. Defendant Tom Shields (“Tom”) is the former Chairman of the Board of Directors of TrustLabs. He resides in California.

THE FACTS

TrustLabs Founding

31. TrustLabs, previously known as TrustToken and currently operating as Archblock and TrueFi (hereafter “The Company”), offers a range of financial products and services with the aim to provide access to financial opportunities and global trade.

32. Jai and Rafael co-founded TrustLabs in 2015 with the goal of providing blockchain-based financial products to democratize financial products and global trade. As founders Jai and Rafael each hold about 45% of the stock in the Company, together holding about 90%. A copy of Jai's and Rafael's Common Stock Purchase and Founder Stock Restriction Agreement are provided as **Exhibit 1**, **Exhibit 2**, and **Exhibit 3**. A copy of TrustLabs Stock Incentive Plan is provided as **Exhibit 4**. A copy of TrustLabs Amended and

Restated Certificate of Incorporation is provided as **Exhibit 5**. A copy of the TrustLabs Bylaws is provided as **Exhibit 6**.

33. In 2017, the co-founders worked to develop a concept for a blockchain-based project called TrustToken in what was envisioned as a "bridge between blockchains and real-world assets."

34. Although asset-backed coins or tokens have become more well known, such a structure was a nascent concept at the time and those projects that had started, in Jai's view, lacked the credibility of real world assets backing tokens.

35. TrustToken was intended to be a larger conceptual platform to actually make the asset ownership a part of the blockchain-based system and provide mechanisms to enforce the property rights.

36. A more fulsome overview of the TrustToken Platform is available in a White Paper published by the Company in early 2018 [**Exhibit 7**].

37. The White Paper outlines a detailed strategy for the implementation of "Real-World Asset Tokenization."

38. This approach involves the creation of digital tokens that are backed by tangible assets such as real estate or gold.

39. TrustLabs' initial focus within this strategy is the tokenization of the United States dollar, leading to the launch of the TrueUSD stablecoin (TUSD).

40. Material capital was required to fund such a project.

41. Accordingly, Jai hired top-tier advisors both legal and financial to realize this project.

42. For example, the Company retained Orrick, Cooley, WilmerHale, White & Case, and Arnold & Porter to help address securities laws and other contractual matters for this.

43. Jai secured backing from notable firms like "Andreessen Horowitz, BlockTower Capital, Danhua Capital, Jump Capital, ZhenFund, Distributed Global, Slow Ventures, GGV Capital, Stanford-StartX, and others", along with being a part of the Stanford StartX Accelerator [https://www.finsmes.com/2018/06/trusttoken-raises-20m-in-strategic-funding.html].

44. With the funding secured as CEO, he grew the Company to about 45 employees across all disciplines.

45. To fund the project's goals, between 2017 and 2018, the Company, through its subsidiary TrustToken, offered certain investors Simple Agreement for Future Tokens ("SAFT") in an SEC Regulation D ("Reg-D") offering which gave the investors the right to receive TRU Tokens at a future date.

46. A copy of a SAFT is provided as **Exhibit 8**. A copy of the Private Placement Memorandum from Reg-D Offering of SAFTs is provided as **Exhibit 9**.

47. A Securities Offering was conducted on the Coinlist Platform. A copy of a CoinList TrustToken Sale Primer, CoinList TrustToken Overview, and CoinList Capital TrustToken Memo is provided as **Exhibit 10, 11, 12.**

48. The SAFT gave the investor the right to a certain number of to-be-issued TRU tokens for a specified investment.

49. In the event tokens were not issued by 2023, an investor would be entitled to a refund for his or her investment.

50. The SAFTs specifically were designed as funding to achieve a "Platform Launch" defined as "the bona fide public release of the TrustToken Platform smart contracts (software that allows clients and fiduciaries to interact using the TrustTokens)."

51. That is, the relevant launch was for a platform consistent with the vision of the White Paper and not simply the creation of any arbitrary token called a TrustToken.

52. Believing in Jai's vision for radical transparency to introduce trust and verifiability to asset-backed finance, several of investors funded the Company through SAFT investments.

53. These investments grew to $32 million—with investors believing the founders intended to execute on the vision they articulated in the White Paper and through Jai's numerous conversations with them.

54. With the funding in place, Jai, as CEO, grew the Company from 2 to 45 employees, putting in near daily 16+ hour work days to execute on the vision.

Launching the First Product of TrustToken

55. The Company launched a stablecoin, TrueUSD, on March 6, 2018.

56. This stablecoin is backed by the USD and similarly it holds parity with the U.S. dollar at $1.

57. While TrueUSD was funded by the Company, TrueUSD is not the TRU Token investors were supposed to or did receive for their SAFT investments.

58. On or around November 21, 2020, the Company subsequently issued “TRU Tokens” purportedly under the SAFTs to accredited investors through a Reg-D offering.

59. The TRU Tokens as issued did not match the TrustToken Platform as originally contemplated by Jai and communicated to investors at the time of their investments.

60. As of this date, the current legal status of TRU Tokens is not clearly defined.

61. However, the SAFTs (Simple Agreement for Future Tokens) for TRU Tokens provided through Reg D registration are securities and, as a result, must adhere to securities law.

Nonviable Regulatory Pathway Instigates Strategy Shift

62. Despite hiring the top law firms, the Company as well as other blockchain initiatives faced the challenge that the SEC never provided a viable regulatory pathway for the industry between 2017 and 2020.

63. The SEC and CFTC have provided conflicting views on what constitutes a security, a non-security, or a commodity over the past 5+ years.

64. By 2020, despite the best effort by the Company, it became painfully obvious that the SEC would not provide a viable regulatory pathway for "security tokens" that would be necessary for the TrustToken Asset Tokenization Platform.

65. During this time, the Company began exploring other commercial pathways for the TRU Tokens to follow some of the original goals proposed in the White Paper.

66. Eventually landing on a rewards-based token for holding TrueUSD (which was called TrueRewards at the time and has since morphed into a different product and was rebranded as TrueFI).

67. Although Jai balanced many constraints as CEO, such as SAFT investors' interests, shareholder interests, employee interests, and abiding by the law, in 2020, it became clear that the Company's new direction—championed by Rafael—was vastly different from the original purpose of the Company and differed substantially from the White Paper and other Reg-D offering documents for the TrustToken Asset Tokenization Platform.

68. Concerned for the Company's potential liability, Jai and Rafael consulted with the engaged law firms.

69. Through internal discussion with the Company's lawyers Tim Welsh and Michael Bland and external counsel including Joseph Perkins at Orrick (along with other attorneys at firms like Arnold & Porter, Wilmerhale, White & Case, and Cooley), it was clear that the Company's new projects differed significantly from the asset-backed protocol originally envisioned.

70. Additionally, at this time, effective team communications had been severely compromised at the time due to pandemic-era travel and meeting restrictions.

71. TrueRewards (which was envisioned at the time to function similar to USDC's current 4% yield for holding USDC at Coinbase) and now the more clearly

lending-oriented strategy that Defendant's took with TrueFi could be deemed to be a bank lending or credit card business based on the blockchain.

72. Jai's concerns have proven to be entirely well founded as the SEC has taken enforcement actions against virtually every other company that provided a similar products as TrueFi.

73. Although it was a pathway the Company could take, it was clear to Jai that this was a materially different risk profile than what he originally presented to investors and what the Company said in its White Paper — this was a wholly different investment.

74. Jai applied the below logic and litmus tests in considering what to do based on the unusual set of events and circumstances, precipitated largely by a novel investment vehicle like the SAFT, which TrustToken was the 2nd to use after Filecoin.

75. The SAFT was a novel legal structure that followed in large measure the novel Simple Agreement For Equity pioneered by Y Combinator among others.

76. The main difference between a SAFE and the SAFT is that a SAFE provides equity in the future and a SAFT provides tokens in the future.

77. The SAFT differs materially in that the asset acquired is not equity—it is a token to be issued.

78. This creates a conflict where the investment money can be used to accrue benefit to equity holders and may not necessarily benefit the future token.

79. Jai recognized this conflict and became concerned that SAFT investors would be materially disadvantaged in a successful scenario for the company

80. Rafael and some staff—holding stock options or equity in the Company—did not share such concerns and pushed the Company towards maximizing their personal value using the investment money from the SAFTs.

81. With these concerns in mind in early 2020, Jai also began hearing concerns from SAFT investors about the potential conflicts of interests.

82. While it was possible to theoretically "shaft" the SAFT Investors, given the vast protections disclosed in the PPM and Reg-D Offering, Jai assessed that this was clearly a breach of securities law and unconscionable business practices.

83. This was all occurring during the onset of Covid, when there was the most ambiguity in most people's lifetimes.

84. Some questions Jai asked himself, based on consultations with numerous internal and external counsel from 2019 through 2020:

85. If I conducted a survey for each of the 150+ SAFT investors, and asked them if would they prefer an updated risk disclosure along with the choice to continue with this new investment vision or receive a refund, how many would say, "Yes, I would prefer an option vs. not receiving an option."

86. Jai asked himself whether each of the 150+ SAFT investors would prefer having the option to receive updated information and a potential refund. He concluded that almost every investor would prefer having that option, rather than having management take actions that could be misleading, irresponsible, or violate securities laws.

87. Another question Jai asked himself: If I were an investor, would I prefer updated risk disclosures and an option to receive a refund or choose to invest in what looked like a wholly different project (Asset Tokenization vs. What could be viewed as lending)?

88. And the answer that came back was: "Yes I would have preferred the updated information and the option to refund or invest"

89. Another question: "Would anyone read the TrustToken Asset Tokenization Platform White Paper, SAFT, PPM, Sale Primer, Overview, CoinList Memo (included as Exhibit 7-12), a judge, a regulator, an investor, and look at TrueRewards and deem them to be the same thing, or close enough that an investor would say “I bought promise for a future 'X', and I got 'X' in the future"

90. When Jai asked himself this question, the clear answer that he arrived at was: 100% no.

91. Finally, Investors had already voiced concerns about the potential conflict of interest where shareholders could do well (and investors could not do well if the TRU token does not perform well)

92. As CEO, I made assurances to multiple SAFT Investors that the Company would avoid that case.

93. Since Jai raised the $32M of funding from the SAFT investors and takes his fiduciary, contractual, and moral responsibility to investors who entrusted him with their capital with supreme ordinance, Jai deemed that it would be

necessary and appropriate to offer what essentially was a "new offering" given the vastly different underlying product, mechanics, and risk profile.

94. Essentially a “new offering” would involve a full update on the disclosures for the new investment the Company considered offering with a refund to investors who did not want to participate.

95. To be clear, this is consistent with the contractual requirement that investors’ SAFT investments be returned if the Company failed to realize the original TRU Platform described in the White Paper and offering documents.

96. Such an offer to investors would neither be unprecedented nor would it violate but rather honor —the original purpose of the SAFT investments.

97. In fact the SEC enforcement actions to date at that time involved refund offers.

98. Since I raised the funding and maintained the relationships with the SAFT investors, I felt it was my fiduciary responsibility to bring to light the new direction along with updated risk disclosures, and the opportunity to receive a refund or continue with their investment with the new disclosures that appropriately reflect the changes in material realities for the new direction.

99. Such refunds, however, could potentially reduce the value of equity holders—including Jai, Rafael, and employees with equity.

Rafael Chooses to Maximize Self Dealing

100. As one attorney Jai spoke to after his termination said of TrueFI: "If it looks and quacks like a bank, it is a bank. And this is clearly taking consumer deposits and having a centralized company lending them out."

101. When Jai raised his concerns and communicated his plan of action to Rafael, who only participated in a few investor meetings, he wanted to not offer a refund and updated risk disclosures, because he argued that it would reduce his personal value.

102. However, I refused to commit fraud, and began taking steps toward sharing updated risk disclosures and a refund offer.

103. I began increasing transparency to SAFT investors by transitioning to new communications systems with the investors in Discourse and Discord, rather than siloed employee systems - these changes were also Rafael confirmed as a board member.

104. However, Rafael decided that he preferred to commit fraud and maximize self-gain.

105. In the middle of 2020, Rafael along with the Director of Finance, Alex de Lorraine, led a 51% vote out of me from the position of CEO and Board Member.

106. Alex was guaranteed a promotion to COO and held about 1% of stock options in the Company, so he had financial incentives to assist Rafael.

107. Despite this I hold no ill will toward Rafael and Management, because they were only looking out for their own interests, which is not illegal in it of itself; however, omitting material information related to investments under a securities offering is illegal.

108. In this moment, I felt conflicted about what to do, torn between the interests of people whom I worked with for my entire professional life, and the

responsibility I took on when I accepted investor capital, nested within a set of laws that were difficult to decipher in a novel, quickly-evolving regulatory and Covid-bombarded macro environment.

109. I don't know what the best set of choices would have been at the time, and in the moment the context was difficult to process what to do; however, even looking back now, with all the difficult periods involved in litigation, I would still make the same choices, due to the responsibility I took on (somewhat naively) when I raised a material amount of capital in 2017 and 2018.

110. Since I held 45% of the shares of the Company (with Rafael holding 45% as well), Rafael and Alex only had to receive a few employee votes to enact their plan to maximize their self-gain at the detriment of myself and the SAFT investors.

111. This historical behavior demonstrated is not a one-off incident as Rafael's past behavior demonstrates a pattern and habit of rule-breaking

Defendant Management Team History of Law Breaking

112. In addition to overseeing and executing the offering of TRU tokens and controlling the price and value of tokens connected to illegal investment activity and illegal operation of a bank, Rafael failed to disclose unresolved criminal.

113. Rafael’s previous professional experiences faired no better in rule-breaking, as he was terminated from every previous employer in his career, which includes Google and Palantir for ingesting illegal substances on two separate occasions.

114. In 2013, Rafael was fired by Palantir Technologies after less than one 1 year of employment after Palantir Technologies learned that Rafael was (i) sleeping in the Palantir Technologies offices, and (ii) ingesting illegal substances at the Palantir Technologies offices.

115. Thereafter, in 2016, Rafael was fired by Google after less than 1 year of employment after Rafael was also arrested for ingesting a Schedule 1 illegal drug on campus and subsequently arrested by police on Google campus, and terminated shortly after.

116. Also in 2016, Rafael informed Jai of sexual misconduct.

117. Later it became clear, Rafael misrepresented the nature and legal status of those unreported allegations as a "game went that a little too far," which in actuality, was rape.

118. On March 3, 2016, Rafael raped an Asian woman who was attending a social gathering that Rafael hosted each week known as Stanford Salon.

119. This has been acknowledged by Rafael after the incident as Rafael talked with multiple acquaintances about the rape.

120. The aforementioned examples are not isolated instances of misconduct, but are instead revealing of Rafael’s normal course of conduct.

121. Additionally, Rafael is known to continue these instances of sexual impropriety. In another case, Rafael brought a different woman to an abandoned warehouse where he gagged her and urinated on her face.

122. In additional cases of misconduct concerning rule-breaking, a former employee decided to leave the Company due to their discomfort with the management's

practice of personally selling tokens into public markets to control and take advantage of the token price.

123. This history of rule-breaking indicates that Rafael is willing to knowingly and consciously break rules for personal gain.

124. This became more evident during the term together at the Company: while I was on leave during ongoing fundraising conversations in January 2018, Rafael had deliberately misled investors by providing false information regarding material investment information.

125. I returned and extended a first refund opportunity in February 2018, allowing all investors who believed they were misled to receive a refund.

126. On or about June 2018, I extended a second unsolicited refund opportunity to all investors due to the rapidly evolving regulatory environment at the time.

127. I was preparing to offer a third refund offer in 2020 given the shift in direction warranted by the lack of a viable pathway for security tokens.

128. Since "TrueRewards" diverged from the original Reg-D offering documents for the TrustToken Asset Tokenization platform, it was clear to me, and any investors I talked with, that there were novel material risks that fundamentally transformed the inherent investment profile for investors.

129. This was acknowledged in both internal and external conversations that Rafael was fully aware of.

130. Knowing all of this, Rafael brought in a new General Counsel for TrustLabs, Diana Bushard, who previously was General Counsel at another crypto

company that received an enforcement action by the SEC of up to $30.9 million for securities law violations.

131. Rafael wanted a legal team who could manage securities law violations he knowingly and consciously incurred, and subsequently personally benefitted from the tune of tens of millions, with his friend saying he purchased multiple San Francisco Bay Area homes from the proceeds.

132. During the timeframe from 2020 to 2022, Defendant Rafael served as the CEO and a board director.

133. He orchestrated and executed the unlawful activities described.

134. When Jai proposed lawful conduct concerning offering securities documents provided to investors, Rafael guaranteed promotions to Alex and Tom, to proceed in breaking securities law.

Historical Refund Offers and Abiding by Securities Law

135. ***W***hile we had just started fundraising at the end of 2017, I had to take leave in January 2018 to recover from a sickness, and Rafael engaged in a number of investor conversations in lieu of me during this time.

136. Rafael consciously lied to investors about material investment details like valuation while I was out.

137. Upon my return, investors approached me and let me know, and I offered a full refund to all investors who chose to receive one.

138. Additionally I offered a second unsolicited refund in mid-2018, in recognition of the rapidly evolving space, that was not based on any issues stated by investors.

139. To my knowledge, we are the only Company in this industry to have offered two no-questions-asked refunds to investors.

140. Therefore, the refund I was intending to offer SAFT investors in 2020, upon the negotiated sale of the Company's developed asset, TrueUSD, would be the third refund offer.

141. Of the three refund offers to investors I enacted as CEO, the third offer, was the clearest mandated by securities law, given the entire shift in direction and material differences in risk and investment profile.

142. However, Rafael, who preferred to maximize his own self-gain, proceeded to carry out multiple securities law violations.

Promising Promotions and Financial Incentives to Break Securities Law

143. Upon information and belief, Rafael promised promotions to these employees to remove Jai and seize control of the Company--even though Rafael and Jai had already reached an agreement about how a separation among the founders should proceed.

144. In 2020, Rafael--seeking to protect his own self-gain in TrustLabs--enjoined Finance Director Alex and Advisor Tom to seize control of the Company with a minor 51% majority and oust Jai as CEO and deprive him of the value he created since the Company's founding.

145. For doing so, Rafael guaranteed a promotion for Alex de Lorraine from Director of Finance to COO and Board Member and Tom Shields from an advisor to Chairman of the Board to vote Jai out of position as the CEO and a Board Member of TrustLabs and proceed with the securities law violation of fraud for omitting material information privy to management but not the SAFT investors.

146. Throughout conversations with legal counsel internally and externally, it was clear that there were material risk profile differences between the original vision of the TrustToken Asset Tokenization platform to TrueRewards.

147. Indeed these material risks manifested as virtually every company conducting similar activities to TrueFi including BlockFi, Gemini, Nexo, and Celsius were hit either by SEC investigations or securities law violation enforcement actions for operating an illegal investment company and by state regulators for illegal banking.

148. As I prepared to file this document today on July 13, 2023, Alex Mashinsky, former CEO of Celsius, was arrested and charged in federal court in New York Thursday. The Securities and Exchange Commission, the Commodity Futures Trading Commission and the Federal Trade Commission also filed lawsuits against Mashinsky and the company today.

149. The Company, Rafael, Tom, and Alex conducted substantively similar activities detailed in the above charging and regulatory complaints.

150. Despite this, Rafael and the two board members personally gained tens of millions of dollars.

Rafael Begins Financial Extortion

151. Rafael then initiated litigation against me.

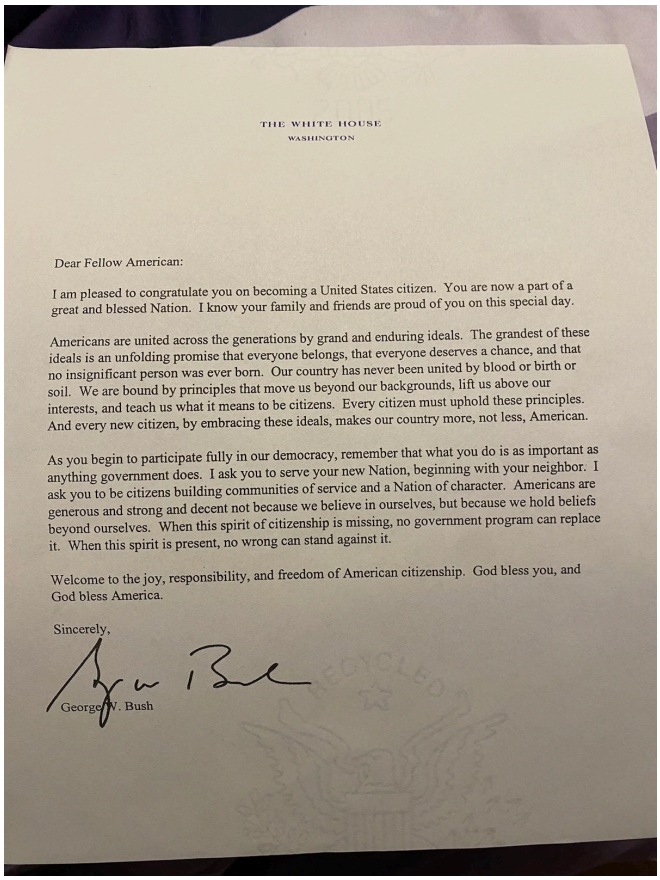
152. I was left with nothing, and accumulating attorneys bills with the Company employing a strategy that was the legal equivalent of "give me your wallet or I'll hit you with a financial bat."

153. It seemed that not it was not only possible to take control of a company and and pilfer the funds and assets to give to the slight majority, but it was also possible to use the piggy bank to drain the finances of the slight minority.

154. By this time, I was mentally drained and confused by the set of occurrences: my parents immigrated from South Korea and started in America in the late 1980s as cleaners making $300 a month. My dad came to America to pursue the "American Dream" to invent and become an entrepreneur. Throughout my life I watch him invent countless things like a golf simulator that digitally recreated a recorded golf swing, and I also watched my dad's inability to get things off the ground due to his language barrier in understanding how to access capital and set up the appropriate legal structures to "build a business" around his inventions. I watched my parents have one fight in my lifetime, when my mom told him to give up his dream and get a job so they could pay for an education for me and my brother. I believed if you work hard, day and night, in America and pursue the "American Dream," that your work may one day pay off.

155. As a child, I vividly remember the day my parents received their citizenship and their happiness and excitement.

156.



THE WHITE HOUSE
WASHINGTON

Dear Fellow American:

I am pleased to congratulate you on becoming a United States citizen. You are now a part of a great and blessed Nation. I know your family and friends are proud of you on this special day.

Americans are united across the generations by grand and enduring ideals. The grandest of these ideals is an unfolding promise that everyone belongs, that everyone deserves a chance, and that no insignificant person was ever born. Our country has never been united by blood or birth or soil. We are bound by principles that move us beyond our backgrounds, lift us above our interests, and teach us what it means to be citizens. Every citizen must uphold these principles. And every new citizen, by embracing these ideals, makes our country more, not less, American.

As you begin to participate fully in our democracy, remember that what you do is as important as anything government does. I ask you to serve your new Nation, beginning with your neighbor. I ask you to be citizens building communities of service and a Nation of character. Americans are generous and strong and decent not because we believe in ourselves, but because we hold beliefs beyond ourselves. When this spirit of citizenship is missing, no government program can replace it. When this spirit is present, no wrong can stand against it.

Welcome to the joy, responsibility, and freedom of American citizenship. God bless you, and God bless America.

Sincerely,

George W. Bush

157. To me the juxtaposition of Rafael's upbringing is ironic: born to a surgeon father doctor educated at Harvard and Stanford Medical Center and a professor associate dean mother educated at Caltech and Stanford, with his Stanford education fully paid for. Rafael in my over five years of professional collaboration and living together in the same apartment, never had to worry about money or finances - there was never need for money, and yet, here we are.

158. One investor I spoke to recently stated: “The only valuable part sold for profit for benefit of founders not investors, investors left with possibly nothing. Just not a great look when you get such a big conflict of interest. I mean, if you're

framing Trust Token as a successful project from vantage of 2017, how? Only if you're talking cash flows to founders/team. For investors (at least so far and based on recent chat with team, I'd guess going forward), basically a total failure of both execution and alignment."

159. For the record, I have never received a dime for incorporating, founding, and serving as CEO from 2015-2020 except for annual salaries of ~$80k through 2018 and ~$125k until the ending term in 2020.

160. Rafael, on the other hand, has been said to have purchased "multiple bay area homes" from the TRU Tokens he sold during his short tenure as CEO of two years from 2020-2022.

161. Rafael and I originally co-founded the Company, however we brought two co-founders later on. Rafael alone, of the four co-founders, personally profited tens of millions of dollars.

162. Just long enough to launch the TRU tokens, distribute the tokens to himself, sell the tokens into retail markets, for personal gain.

163. As soon as the TRU token price from a high of $.75/TRU (with a fully diluted market cap of near $1 Billion USD TRU market capitalization) to low of $0.05/TRU, Rafael departed as CEO to then be sole board member of the Company, as both Tom Shields and Alex de Lorraine (who also received TRU distributions and sold for person gain) departed as board members in September 2022.

164. The above two and half year span, was just enough to oust me as CEO and board member, place Rafael as CEO along with two guaranteed promotions to

Alex and Tom for enacting the ousting, then launch the TRU token to distribute amongst themselves, sell to public markets, thus maximizing their personal profit, unshared with SAFT Investors or myself.

165. During Rafael's tenure as CEO, TrueFi went from taking in a high of $789 million of consumer deposits and lending those deposits out for APYs of 15%+ to crypto trader borrowers like Alameda Research (Trading Arm of FTX), Blockwater, and Invictus Capital to a TVL low of ~$14 million in September 2022 upon his departure.

166. The drop in consumer deposits that TrueFi was taking on was in conjunction with a string of defaults of consumer capital including but not limited to:

a. "Bankrupt trading firm Alameda Research has $7.2 million in outstanding debt from a TrueFi credit facility" (https://www.coindesk.com/markets/2022/11/11/justin-sun-moved-6m-stablecoins-from-truefi-lending-pools-before-ftx-alameda-bankruptcy/)

b. "TrueFi Issues Default Notice to Blockwater Over [$3.4 Million] BUSD Loan" (https://decrypt.co/111545/blockwater-technologies-defaults-3-4-million-binance-usd-loan)

c. "Invictus Capital Defaults on $1M TrueFi Loan" (https://www.coindesk.com/markets/2022/11/01/terra-victim-invictus-capital-defaults-on-1m-truefi-loan/)

167. In fact, 5 months before Rafael's departure as CEO, TrueFi announced headline news that "Alameda secures up to $750M credit line from TrueFi's Single Borrower Pool"

168. In this article, Rafael states: “On-chain institutional-grade lending is the most capital-effective liquidity source for crypto-native companies,” says Rafael Cosman, CEO of TrustToken. “Our Single Borrower Portfolios streamline this offering to its most essential, effective form, with every pool serving a single borrower’s specific needs, supported by their excellent operational track record. We anticipate a lot of lender interest for this launch, and we look forward to expanding our Single Borrower Portfolios to originate billions worth of loans within the year.”

169. Upon that statement in March 2020, TrueFi’s deposits from consumers fell from a high of $789 million to ~$100 million to ultimately around $15M upon his departure.

170. Tellingly, Tom Shields and Alex de Lorraine left their boards seats at this time, likely due to the extraordinarily liability of skirting numerous securities and banking laws, leaving only Rafael on the Board.

171. As if the above sequence of events were not enough, Rafael and Alex de Lorraine proceeded to create a separate Cayman Entity and transfer at a de minimus value the remaining TRU tokens from the Company (which at the time had a market value of hundreds of millions of dollars) to a new Cayman Entity, that Rafael and Alex control as sole board members.

172. Finally, on Jun 14, 2023, less than a month ago, I received a DocuSign from the Company to attempt a merger that would effectively move the domicile of all the Company’s assets outside Delaware and the United States to Switzerland.

173. I have been informed by attorneys that this is likely an attempt to skirt regulation further and/or dilute me as a shareholder.

174. The above merger attempt - which I was notified of less than a month ago - to domicile the company and all assets to Switzerland has prompted me to file this complaint now in Delaware. A copy of the DocuSign Email for the Merger and Merger Agreement are provided as **Exhibit 13** and **Exhibit 14**.

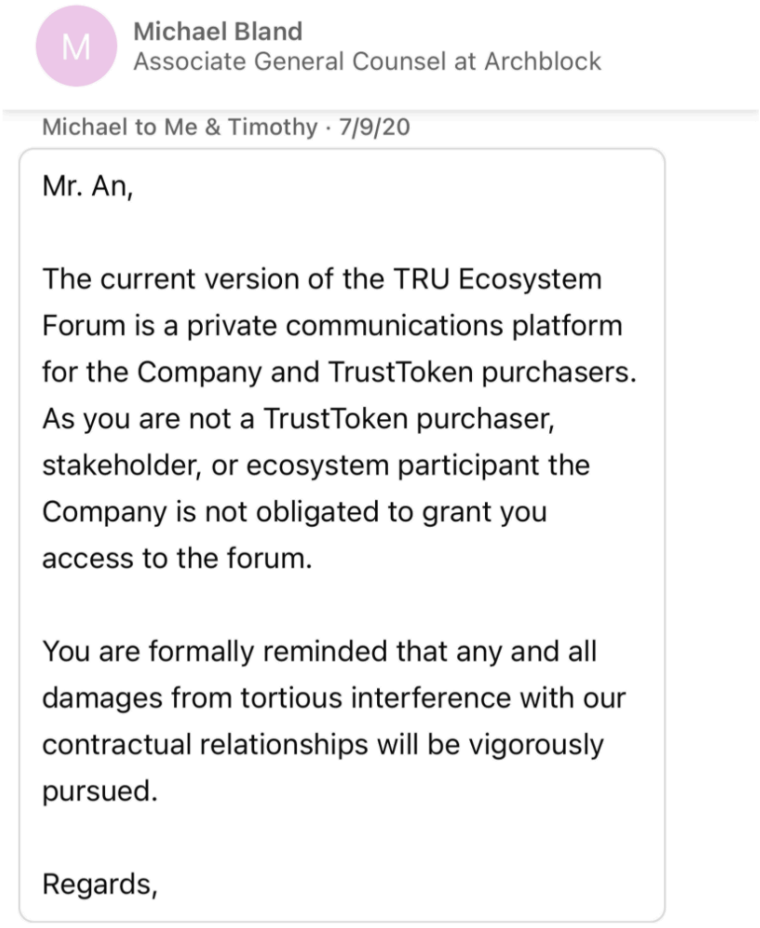
175. The above in effect, is the most egregious example of corporate theft that one could only imagine seeing in movies, documentaries, or books that detail such characters.

176. Post ousting, the management refused to provide Jai with Company documents that would illuminate Company operations, despite Jai's right to such information as a 45% shareholder.

177. They also included legal threats for discussing with SAFT Investors the securities law violation of fraud in purposefully withholding material relevant information from investors

178.

179. I



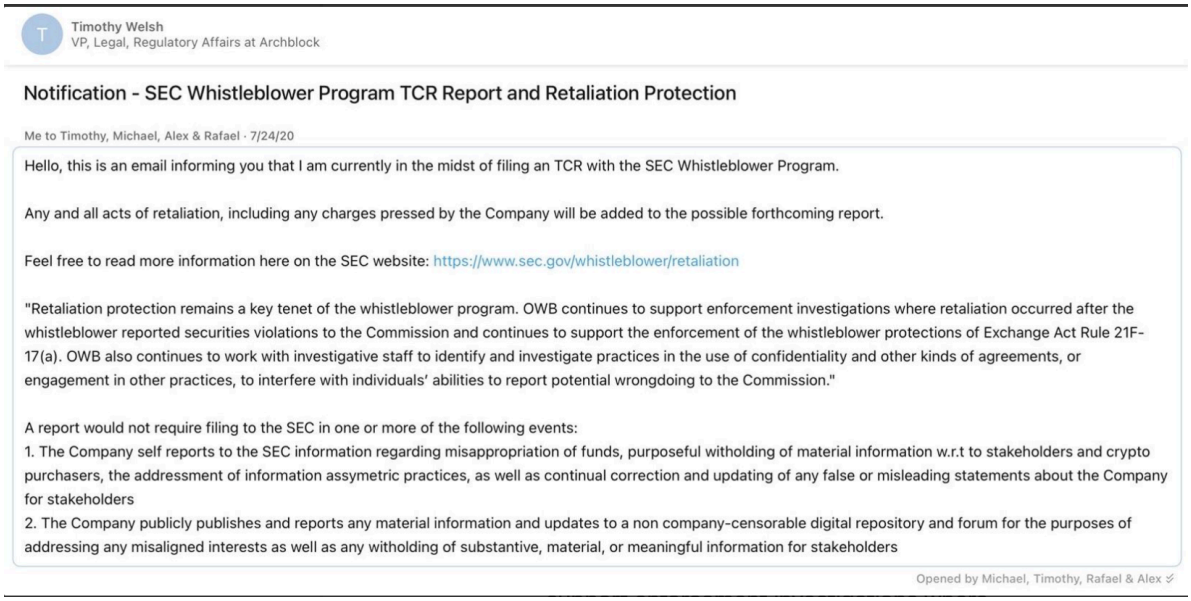
engaged on contingency the SEC Whistleblower Advocacy group, a law firm that comprises exclusively of former SEC enforcement agents and the Principal Architect of the SEC Whistleblower program.

180. Multiple attorneys from the leading securities law whistleblower law firm confirmed multiple violations of securities law, including the act of retaliating against a potential whistleblower.

Retaliation Against Potential Whistleblower

181. Shortly after termination, I provided the following email

182.



Timothy Welsh
VP, Legal, Regulatory Affairs at Archblock

Notification - SEC Whistleblower Program TCR Report and Retaliation Protection

Me to Timothy, Michael, Alex & Rafael · 7/24/20

Hello, this is an email informing you that I am currently in the midst of filing an TCR with the SEC Whistleblower Program.

Any and all acts of retaliation, including any charges pressed by the Company will be added to the possible forthcoming report.

Feel free to read more information here on the SEC website: https://www.sec.gov/whistleblower/retaliation

"Retaliation protection remains a key tenet of the whistleblower program. OWB continues to support enforcement investigations where retaliation occurred after the whistleblower reported securities violations to the Commission and continues to support the enforcement of the whistleblower protections of Exchange Act Rule 21F-17(a). OWB also continues to work with investigative staff to identify and investigate practices in the use of confidentiality and other kinds of agreements, or engagement in other practices, to interfere with individuals' abilities to report potential wrongdoing to the Commission."

A report would not require filing to the SEC in one or more of the following events:
1. The Company self reports to the SEC information regarding misappropriation of funds, purposeful witholding of material information w.r.t to stakeholders and crypto purchasers, the addressment of information assymetric practices, as well as continual correction and updating of any false or misleading statements about the Company for stakeholders
2. The Company publicly publishes and reports any material information and updates to a non company-censorable digital repository and forum for the purposes of addressing any misaligned interests as well as any witholding of substantive, material, or meaningful information for stakeholders

Opened by Michael, Timothy, Rafael & Alex

183. Which reads:

a. "Retaliation protection remains a key tenet of the whistleblower program. OWB continues to support enforcement investigations where retaliation occurred after the whistleblower reported securities violations to the Commission and continues to support the enforcement of the whistleblower protections of Exchange Act Rule 21F-17(a). OWB also continues to work with investigative staff to identify and investigate practices in the use of confidentiality and other kinds of agreements, or engagement in other practices, to interfere with individuals' abilities to report potential wrongdoing to the Commission."

b. A report would not require filing to the SEC in one or more of the following events:

i. The Company self reports to the SEC information regarding misappropriation of funds, purposeful withholding of material information w.r.t to stakeholders and crypto purchasers, the addressment of information asymmetric practices, as well as continual correction and updating of any false or misleading statements about the Company for stakeholders

ii. The Company publicly publishes and reports any material information and updates to a non company-censorable digital repository and forum for the purposes of addressing any misaligned interests as well as any withholding of substantive, material, or meaningful information for stakeholders

184. Rafael and Alex de Lorraine, to make personal gain rejected Jai's proposal to offer updated risk disclosures and offering documents to the SAFT Investors along with the offer to continue with their investment or receive a refund, given the substantive and material differences in the underlying of the securities.

185. On July 7th 2020, Rafael, who held the same shares as me, 45%, along with Alex and others crossed just over 50% vote necessary to vote me out of the role of CEO and board member.

186. As part of this transition, Alex was guaranteed a promotion from Director of Finance to COO, and Tom was guaranteed a promotion from an advisor to Chairman of the Board.

187. Defendants, named and referred above, chose to oust Jai to increase their own financial compensation and control over TrustLabs.

188. At the time Alex and Tom were promoted, Alex and Tom each held about 1.5% or less of TrustLabs' equity.

189. Accordingly, by removing Jai from the Board and installing Alex and Tom as members of the Board, the Board effectively ceded its ability to effectively represent the interests of shareholders.

190. Indeed, before Jai's removal from the Board, the Board represented approximately more than 90% of TrustLabs' shareholder vote.

191. At the time of Jai's removal, however, the Board represented approximately 45% of TrustLabs' shareholder vote.

192. Later after removing Jai from the company, Defendants, in retaliation, initiates a call for the Frisco Police Department to call the mother, father, and brother of Jai to initiate threats to his family

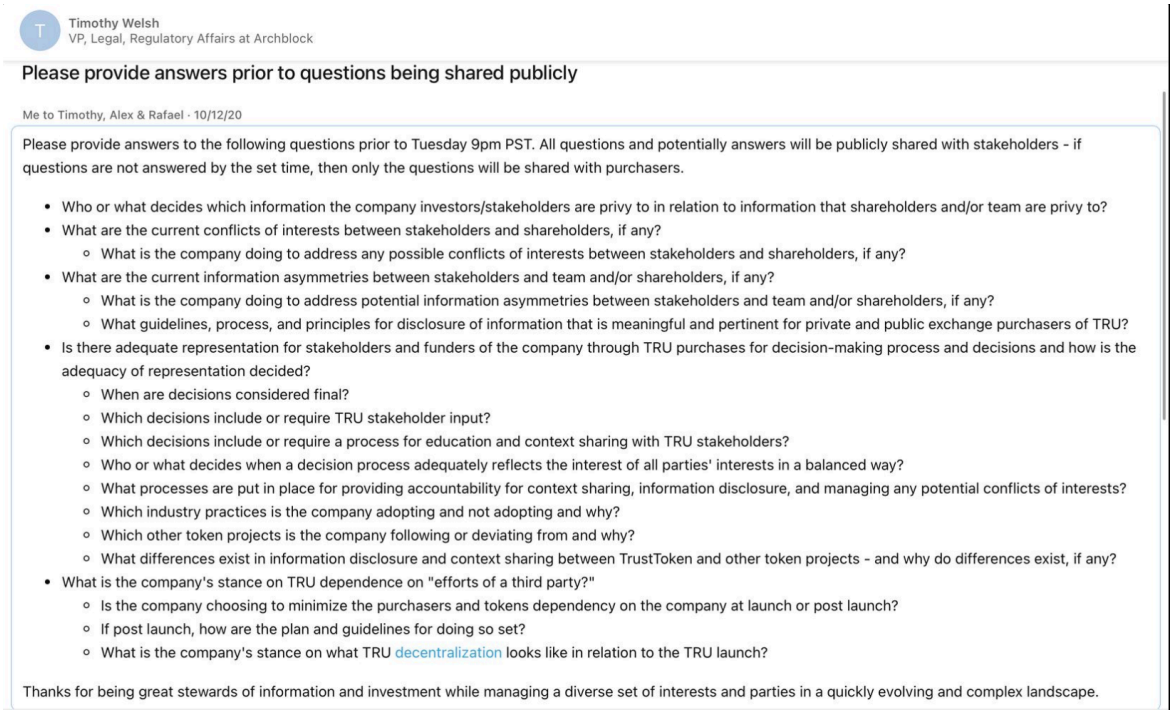
193.

Defendants Misleading Allegations against Complainant

194. The Defendants then levied false and misleading accusations against Jai in an attempt to intimidate him into silence through the threat of a lawsuit.

195. Contrary to their claims, Jai acted solely in the best interests of the investors and shareholders, refusing to break securities law and providing them with complete disclosure about the newly updated risks.

196.



Timothy Welsh
VP, Legal, Regulatory Affairs at Archblock

Please provide answers prior to questions being shared publicly

Me to Timothy, Alex & Rafael · 10/12/20

Please provide answers to the following questions prior to Tuesday 9pm PST. All questions and potentially answers will be publicly shared with stakeholders - if questions are not answered by the set time, then only the questions will be shared with purchasers.

- Who or what decides which information the company investors/stakeholders are privy to in relation to information that shareholders and/or team are privy to?
- What are the current conflicts of interests between stakeholders and shareholders, if any?
  - What is the company doing to address any possible conflicts of interests between stakeholders and shareholders, if any?
- What are the current information asymmetries between stakeholders and team and/or shareholders, if any?
  - What is the company doing to address potential information asymmetries between stakeholders and team and/or shareholders, if any?
  - What guidelines, process, and principles for disclosure of information that is meaningful and pertinent for private and public exchange purchasers of TRU?
- Is there adequate representation for stakeholders and funders of the company through TRU purchases for decision-making process and decisions and how is the adequacy of representation decided?
  - When are decisions considered final?
  - Which decisions include or require TRU stakeholder input?
  - Which decisions include or require a process for education and context sharing with TRU stakeholders?
  - Who or what decides when a decision process adequately reflects the interest of all parties' interests in a balanced way?
  - What processes are put in place for providing accountability for context sharing, information disclosure, and managing any potential conflicts of interests?
  - Which industry practices is the company adopting and not adopting and why?
  - Which other token projects is the company following or deviating from and why?
  - What differences exist in information disclosure and context sharing between TrustToken and other token projects - and why do differences exist, if any?
- What is the company's stance on TRU dependence on "efforts of a third party?"
  - Is the company choosing to minimize the purchasers and tokens dependency on the company at launch or post launch?
  - If post launch, how are the plan and guidelines for doing so set?
  - What is the company's stance on what TRU decentralization looks like in relation to the TRU launch?

Thanks for being great stewards of information and investment while managing a diverse set of interests and parties in a quickly evolving and complex landscape.

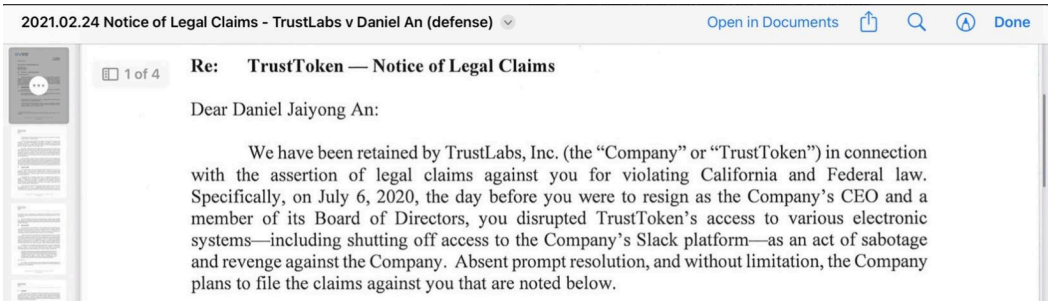
197. The Defendants act of threatening and intimidating Jai with litigation and criminal charges reveals a concerning motive to hide their illegal violations.

198. In addition, by using the prospect of legal action, Defendants continue to coerce Jai into concealing their unlawful activities.

199. This not only undermines transparency and accountability but also raises questions about the Company's ethical practices, and raises a question of their credibility in the court of law that is being challenged herein.

200. TrustLabs also went even further in April 2021 by attempting to exert leverage in order to compel or incentivize selling equity at a price fully at their determination.

201. The valuation they stated was less than 1/4 the valuation that Jai had raised from Founders Fund in 2017 with nothing built, just an idea and Rafael.


2021.02.24 Notice of Legal Claims - TrustLabs v Daniel An (defense) Open in Documents Done

1 of 4

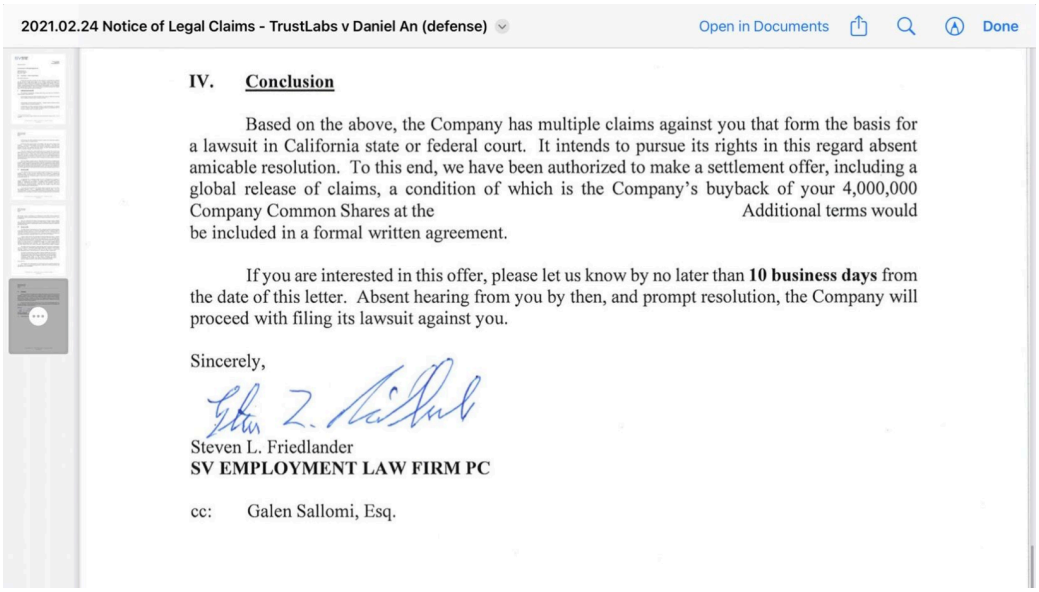
Re: TrustToken — Notice of Legal Claims

Dear Daniel Jaiyong An:

We have been retained by TrustLabs, Inc. (the "Company" or "TrustToken") in connection with the assertion of legal claims against you for violating California and Federal law. Specifically, on July 6, 2020, the day before you were to resign as the Company's CEO and a member of its Board of Directors, you disrupted TrustToken's access to various electronic systems—including shutting off access to the Company's Slack platform—as an act of sabotage and revenge against the Company. Absent prompt resolution, and without limitation, the Company plans to file the claims against you that are noted below.

202.

203.


2021.02.24 Notice of Legal Claims - TrustLabs v Daniel An (defense) Open in Documents Done

IV. Conclusion

Based on the above, the Company has multiple claims against you that form the basis for a lawsuit in California state or federal court. It intends to pursue its rights in this regard absent amicable resolution. To this end, we have been authorized to make a settlement offer, including a global release of claims, a condition of which is the Company's buyback of your 4,000,000 Company Common Shares at the Additional terms would be included in a formal written agreement.

If you are interested in this offer, please let us know by no later than **10 business days** from the date of this letter. Absent hearing from you by then, and prompt resolution, the Company will proceed with filing its lawsuit against you.

Sincerely,

Steven L. Friedlander
SV EMPLOYMENT LAW FIRM PC

cc: Galen Sallomi, Esq.

204. They sent a notice of claims that if I did not accept the full buy-out of the shares I hold at the terms they set along with a release of all claims (without the option to sell partial shares), they would file a lawsuit, in what is essentially the legal equivalent of "give me your wallet, or I'll hit you with a financial bat."

205. After only providing 10 business days to find an attorney to negotiate any terms, they shortly thereafter filed their complaint on April 9, 2021.

206. The lawsuit states that in my role as CEO I overstepped bounds by determining that we needed to move from a "closed communication model" using Slack for Company communications to switching to Discord and Discourse.

207. Namely the issue was that Slack costs per member per month and so SAFT Investors and TRU holders would not be able to access all the information that employees were privy to)

208. By switching our primary communications from Slack to Discord and Discourse, which was a de facto industry standard, I wanted to address the increasing concerns around information asymmetries between shareholders/ employees and SAFT Investors

209. After threatening me with their "sell us your shares at this arbitrary price or we will file suit," TrustLabs then initiated a lawsuit against me for deleting a Slack account

210. I had previously created a Discord (as well as Discourse, as mentioned by Defendants) for the Company before the transition from Slack

211. They do not dispute that I was CEO and Board Member at the time of transition.

212. They argue that I did not have "access" or "authorization" to transition the services.

213. To which I've responded in a Statement on a Discovery Dispute on March 21, 2023:

a. Opposing counsel has defined the word “authorized” to mean “given official permission for or approval” and “Access” to mean “to gain entry to,”

or to “obtain, examine, or retrieve.” However opposing counsel has yet to defined “by whom” in authorization as if authorization is an action produced by nature.

b. Here is what the TrustLabs (f.k.a "Win the Game") bylaws (drafted by Wilmerhale upon incorporation) dictate about the role and authority of the CEO:

i. "3.7 President; Chief Executive Officer. Unless the Board of Directors has designated another person as the corporation’s Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The Chief Executive Officer shall have general charge and supervision of the business of the corporation subject to the direction of the Board of Directors, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board of Directors. The President shall perform such other duties and shall have such other powers as the Board of Directors or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer."

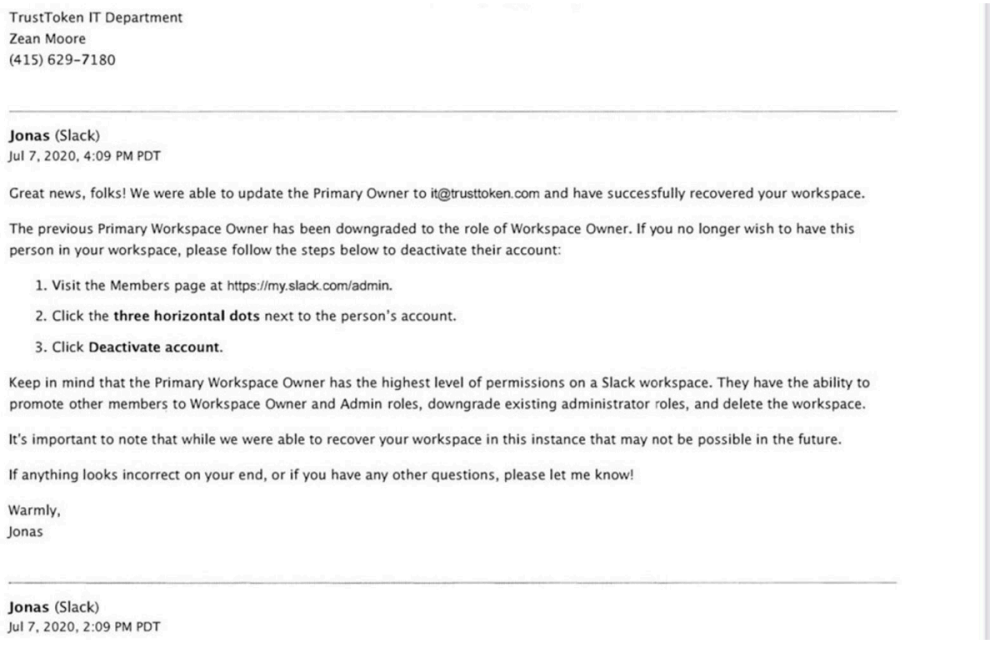
c. In my tenure as CEO of TrustLabs for about five years. I selected, purchased, deleted, authorized, processed, removed dozens (if not hundreds) of

vendors and tools and service providers for TrustLabs. These include but are not limited to: Slack, Discord, Discourse, 1Password, Hubspot, Web Hosting, GitHub, Asana, Trello, Canny, Namecheap, SVB, Chase, Brex, Accounting Providers, Bookkeeping Providers, Quickbooks, Auditors, Law Firms (including Wilmerhale, Orrick, etc.), Contractors, Developers, 1099s, W2, Partnerships, etc. This included for all intents and purposes, all tools, vendors, technologies, service providers, law firms, partnerships, etc.

d. I request opposing counsel to provide a definition of "by whom" for "authorization." I also request clarity as to whether the "definition" is derived from of authorization within the Bylaws, Delaware General Corporate Law (DGCL), or by shareholder or board consent vote. Or if counsel is stating that changing out a vendor like Slack is outside my previous normal scope of CEO duties for 5 years.

214. Discovery later on revealed they had recovered the Slack account within a day by exchanging messages with Slack support.

215.



TrustToken IT Department
Zean Moore
(415) 629-7180

Jonas (Slack)
Jul 7, 2020, 4:09 PM PDT

Great news, folks! We were able to update the Primary Owner to it@trusttoken.com and have successfully recovered your workspace.

The previous Primary Workspace Owner has been downgraded to the role of Workspace Owner. If you no longer wish to have this person in your workspace, please follow the steps below to deactivate their account:

1. Visit the Members page at https://my.slack.com/admin.
2. Click the **three horizontal dots** next to the person's account.
3. Click **Deactivate account.**

Keep in mind that the Primary Workspace Owner has the highest level of permissions on a Slack workspace. They have the ability to promote other members to Workspace Owner and Admin roles, downgrade existing administrator roles, and delete the workspace.

It's important to note that while we were able to recover your workspace in this instance that may not be possible in the future.

If anything looks incorrect on your end, or if you have any other questions, please let me know!

Warmly,
Jonas

Jonas (Slack)
Jul 7, 2020, 2:09 PM PDT

216. Tellingly, in Defendant's July 23, 2021 Rule 26 Initial Disclosures, in the section for "C. Computation of Damages Claimed by Plaintiff" it is stated:

a. "Pursuant to Rule 26(a)(1)(A)(iii), Plaintiff discloses the following computation of damages it claims:"

b. "Plaintiff seeks general and compensatory damages according to proof, statutory penalties, punitive damages, pre- and post-judgment interest, and legal fees and costs. Discovery has not yet commenced, and Plaintiff cannot fully compute its damages at this stage. Accordingly, Plaintiff reserves its right to supplement this disclosure as discovery proceeds."

217. Importantly, that means in plain English, there are no damages.

218. **Even** in the case that for some reason a court would set that precedence that an acting CEO and Board Member would be breaking some law for changing vendors or services within their own company, which would implicate practically every CEO within the United States, there are no damages.

219. Every single attorney I've spoken with, which includes over a dozen, and the attorneys that I've engaged with, all have said that they believe this a frivolous law suit to extort and force a sale of shares or retaliation for whistleblowing on their illegal securities law violations.

220. Attorneys from both Novian and Kasowitz stated to me after their first call with opposing counsel, that the opposing side is clearly not looking for an amicable resolution, but simply is attempting to strong-arm leverage to both silence me or extort me.

221. A center-point of their negotiations has always been a release of all claims as well as the agreement to not speak out in public or with SAFT investors.

Mischaracterization of Erratic Behavior by Defendant

222. In their allegations they state another reason for termination includes "Erratic Behavior" during the period of the onset of Covid from January to July 2020.

223. The following is a non-exhaustive detailing of changes that were required for every level of the company's normal operating behavior:

224. On or about February 2020, we got rid of the office that the employees had worked out of each weekday for years.

225. We went to full remote after 5 years of in-person work.

226. We had less than 12 months or runway left, with a balance sheet of less than $6 million while burning similar amounts.

227. We initiated our first ever reduction in force, of 20% of the employee base

228. There was ambiguity everywhere about the future state of the world.

229. If we launched TrueRewards, there would be public holding TRU tokens expanding our stakeholder surface area (thus the transition from Slack, paid per member, to Discord, not paid per member).

230. No one knew what fundraising would look like.

231. No one knew what markets or the macro economy would look like.

232. Rafael and Jai (Co-founders) had lived together in an apartment from 2015 onwards and we all went remote in April.

233. Jai went to Dallas with his parents.

234. Stephen departed the Company sometime around March 2020.

235. Rafael went to live with his parents in San Diego.

236. There was no doubt that I was tired, stressed, and adapting to more change than any other period in my lifetime, at the tail-end of working nonstop for years.

237. However, a mischaracterization of "erratic behavior" during the most tumultuous time of likely any 28-year-old alive, would be a stretch for being CEO and piloting a newly remote global Company for what was one of my first jobs.

238. I doubt there would be very few people under the age of thirty on the planet that could handle that amount of change with such grace and not even a little bit of quick decision making given the rapid change warranted at the time.

239. Along with all this change during this tumultuous time from January to July, I was negotiating a sale of a Company asset TrueUSD to be able to pass the threshold of a $32M balance sheet and to be able to provide updated risk disclosures to SAFT investors and the choice to continue with the investment or receive a refund.

240. Selling the asset TrueUSD would have significant sffects on the employee base, as most employees were solely working on TrueUSD, such as Alex de Lorraine, who was informed it was unclear what the employment situation would look like if a deal were to go through.

241. Unfortunately, as I finalized negotiations between Justin Sun, Tron, and Can Sun (who was representing Tron as legal counsel), the vote out occurred, and I no longer had the capacity to represent SAFT Investor interests without continued legal threats from Defendants.

242. During this period where I was unable to send any messages to SAFT Investors due to Defendant's legal threats; however, if I could have shared a note it would look something like this:

a. "I'm not sure if you're familiar with the full context, but I was voted out by Rafael and the Director of Finance by a 51% vote because I negotiated the sale of TrueUSD to Tron and I said it would be 100% required that the proceeds of the asset sale would be used to offer a 100% refund offer to all investors or investors may choose to proceed with the updated plan and risk disclosures based on the new direction of TrustToken (given the material changes and risk profile shift).

b. Rafael did not do the fundraising nor maintain the relationship with the investors.

c. I deemed the change to be material enough to offer a third refund offer (in addition to the previous 2 refund offers, since I was the only one representing investor interests).

d. Rafael and the Director of Finance disagreed, voted me out as CEO and Board Member and preferred to sell the asset and keep proceeds for themselves (including only distributing TRU tokens to themselves and not myself)

e. They then proceeded to enact litigation to coerce a sale of ~45% of shares I hold in the legal entity Trustlabs, Inc.

f. I took all the appropriate actions in my power to reflect SAFT investor interests, however I've been largely silenced by their litigation efforts at a large expense to myself

g. I was aware of the conflicts of interest some SAFT Investors had mentioned to me; however, I can only take the actions I am legally allowed to take, and unfortunately, the divergent incentives gave way to the current course.

h. To be clear, I have not seen a personal dime from trusttoken/ truefi/trueusd beyond a ~$80k and updated ~$125k salary post raise throughout my ~5 yr tenure at trusttoken/trueusd/truefi

i. They have made it clear that any investor representations I make will be met with more threats of legal claims

j. On the other hand, Rafael has been said to be buying multiple homes within the San Francisco Bay Area

k. After my vote out in July 2020, I had no ability to exert any influence on the direction of trusttoken/trueusd/truefi

l. Despite the resultant outcomes, if I could go back, I would still make the choices and take the actions I did

m. As I very much recognized the Trust placed in me by investors during extremely ambiguous circumstances".

Plaintiff's Attempts at Resolution

243. Plaintiff, before filing this complaint, attempted to resolve these claims with the Defendants, as recently as June 28th, 2023.

244. All efforts of Plaintiff were in vain as the Defendants denied or failed to come - to any resolution despite instigating the claim itself.

245.

Steve Friedlander
Attorney at SV EMPLOYMENT LAW FIRM PC

Date Wednesday, June 28 2023 at 6:14 AM AST

Hi Carl, thanks for your email.

It looks like Judge Hixson provided us with an order on the motion for protective order: "Accordingly, the Court GRANTS Plaintiff's motion for a protective order as to Shields, Wolf, Christensen and Bushard and DENIES the motion as to de Lorraine, Arpilleda, Bland and Perkins." Thanks Judge Hixson!

So we'll be scheduling depositions for myself, Alex de Lorraine, Anna Arpilleda, Michael Bland, Joseph Perkins, Zean Moore, and Rafael Cosman.

A full-day deposition for each would require 7 full days. Could you share your availabilities for each of the six deponents within two consecutive weeks?

I'm preparing motion for extension similar to the one you filed previously.

As stated in the previous CMC statement: "I request 1-3 weeks Fact of Discovery Extension from July 20, 2023, to either July 28, August 4, or August 11. I am flexible which of those weeks to fly in to hold all the depositions in person, as desired by Plaintiff."

Is Plaintiff amenable to the above proposed timeline for Motion to extend fact discovery deadline and deadline to file dispositive motions?

Additionally, I mentioned in a filed motion hearing rescheduling: "I would like to make a Good Faith effort at resolution prior to filing the above aforementioned documents. I've asked a neutral mutual mentor if he would be willing to conduct a call between myself and ... Rafael ... to see if a global resolution may be reached prior to filing. I have confirmed with the mentor he is amenable, and so confirmation from Rafael would be needed, along with scheduling."

I've asked Matt Mochary if he'd be willing to facilitate as neutral mediator between Rafael and me, to which Matt responded: "You guys are both my friends. If Rafael is open to it, I am open to doing a 50-minute session to see if you guys can come to resolution. I won't be able to offer any follow up beyond that though. It will be a one and done effort."

This time period seems as good as ever to offer an olive branch for potential resolution prior to potential escalation with filing claims and/or engagement/contingency.

Please let me know if Rafael is open and willing to a 50-minute zoom call between Matt, Rafael, and me. If not, no problem, and we may proceed as is. Thanks!

Steve Friedlander
Attorney at SV EMPLOYMENT LAW FIRM PC

Date Monday, July 3 2023 at 5:25 PM AST

Dear Mr. An,

With respect to your proposal to engage in a mediated discussion with Mr. Cosman, we have discussed it with our client. Thank you for your offer. However, as the parties have already attempted to mediate without success, TrustLabs is not interested in your proposal at this time.

Best,

Carl Kaplan
SV Employment Law Firm PC

Violation of Jai's Shareholder's Rights

246. Since Rafael, Alex, and Tom removed Mr. An from TrustLabs's Board and terminated his employment on July 7, 2020, for not cooperating with them to enrich themselves at the expense of the TRU SAFT Investors, Jai has suffered individualized harm as a shareholder as a result of their actions.

247. Defendants have treated Jai unjustly and deprived him of the benefit and value of his equity ownership in other ways, as well.

248. Jai has requested certain information about TrustLabs that he is entitled to as a shareholder, including basic organizational documents such as shareholders' agreements, agreements between TrustLabs and Mr. An, board minutes and resolutions, and the identity of TrustLabs' directors and executives.

249. TrustLabs has repeatedly refused to provide shareholder information documents on three separate Section 220 requests.

Re: Demand for Inspection of Books and Records Pursuant to 8 Del. C. § 220

Dear Mr. Welsh,

I write on behalf of Mr. Daniel Jai An (the "Shareholder"), a beneficial owner of TrustLabs Inc. (the "Company") common shares. Attached to this letter is a true and correct copy of the Special Power of attorney authorizing Roche Freedman LLP to act on behalf of the Shareholder in connection with this demand for inspection of books and records of the Company (the "Demand").

This Demand arises out of the decisions by the Board of Directors decision to remove Mr. An as CEO and to replace him with Mr. Rafael Cosman. The Shareholder seeks to investigate the events leading up to this decision to determine whether it is appropriate to pursue litigation against the Company.

Pursuant to Section 220 of the Delaware General Corporation Law, the Shareholder hereby demands the right during the usual hours of business to inspect the following books and records of the Company and to make copies or extracts therefrom:[1]

Corporate Books and Records

1. The Company's shareholders' agreement, and any amendments thereto.
2. All agreements between the Company and Mr. An, and any amendments thereto.
3. A current list of the Company's shareholders and their interests in the Company.
4. A current list identifying the Company's executives, officers, and directors.
5. All minutes and draft minutes for all meetings of the Company's board of directors during the period beginning July 2019 through present.
6. All minutes and draft minutes for all meetings of the Company's shareholders during the period beginning July 2019 through present.

---

[1] Most of the materials demanded are "board level documents evidencing the directors' decisions and deliberations, as well as the materials that the directors received and considered [,which a] corporation usually can collect and provide . . . easily and quickly with minimal burden." *Amalgamated Bonk v. Yahoo! Inc.*, 132 A.3d 752, 790 (Del. Ch. 2016). Accordingly, the burden to the Company in complying with this Demand is minimal.

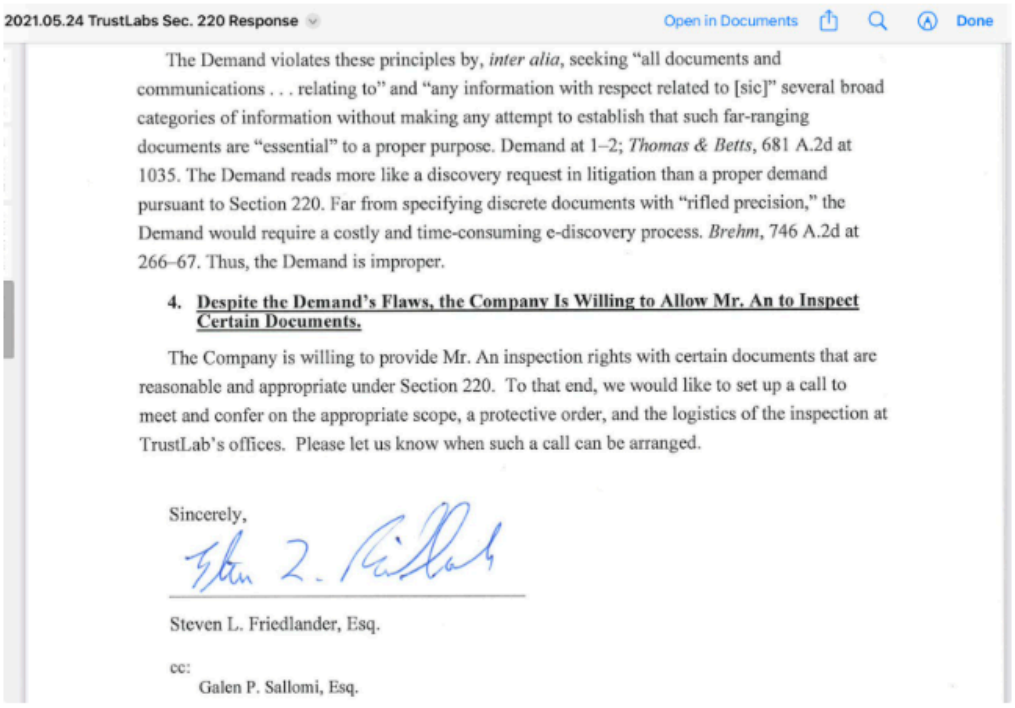
Additionally, the Shareholder seeks information to determine if there are claims against the company arising from its use of funds raised during the TrueFi token sale. Specifically, the Shareholder seeks to investigate (1) the Company's use of funds raised from the TrueFi SAFT and (2) the Company's determination not to offer certain investors a potential refund.

I hereby affirm that the purposes for the demanded inspection as set forth above constitute a true and accurate statement of the reasons the Stockholder desires to review the demanded books and records, and that such demand is made in good faith. The purposes are both proper and reasonably related to the Shareholder's interests as a shareholder of the Company.

Please contact me immediately for the review of the demanded books and records. We will agree to a reasonable confidentiality agreement in order to review the information requested in this letter.

In the event that the Company does not respond to this letter or fails to permit inspection and copying of the demand documents within five business days from the date of receipt of this demand pursuant to §220(c), we intend to seek appropriate relief to the fullest extent permitted under the law.

250.



2021.05.24 TrustLabs Sec. 220 Response — Open in Documents — Done

The Demand violates these principles by, *inter alia*, seeking "all documents and communications . . . relating to" and "any information with respect related to [sic]" several broad categories of information without making any attempt to establish that such far-ranging documents are "essential" to a proper purpose. Demand at 1–2; *Thomas & Betts*, 681 A.2d at 1035. The Demand reads more like a discovery request in litigation than a proper demand pursuant to Section 220. Far from specifying discrete documents with "rifled precision," the Demand would require a costly and time-consuming e-discovery process. *Brehm*, 746 A.2d at 266–67. Thus, the Demand is improper.

4. **Despite the Demand's Flaws, the Company Is Willing to Allow Mr. An to Inspect Certain Documents.**

The Company is willing to provide Mr. An inspection rights with certain documents that are reasonable and appropriate under Section 220. To that end, we would like to set up a call to meet and confer on the appropriate scope, a protective order, and the logistics of the inspection at TrustLab's offices. Please let us know when such a call can be arranged.

Sincerely,

Steven L. Friedlander, Esq.

cc:
Galen P. Sallomi, Esq.

251.

252. For the most recent Section 220 request inquiring about the merger they responded: "We write on behalf of Archblock (the "Company") in response to your July 1, 2023 demand (the "Demand") to inspect books and records pursuant to 8 Del. C. § 220 ("Section 220"). The Demand is made with reference to the Company's June 14, 2023 request for stockholder written consent (the "Written Consent Request") to enter into a merger (the "Merger") that will effect a change of the Company's domicile to Switzerland. The Demand is deficient in several respects….For these reasons, the Company rejects the Demand, and reserves all rights and remedies concerning the Demand."

253. All Section 220 requests and responses have been attached as **Exhibits 15-19.**

254. Defendants, named and referred above, coerced Jai to agree to an offer price that was much undervalued as is described below.

255. In addition, the TrustLabs issued each of its shareholders and each of its current and former employees a token dividend, at the exclusion of Plaintiff

256. Here are the email excerpts provided by the Company at the time to current and form employees about the distribution of TRU Tokens.

257.

> Tokens were granted to not only current employees but also some ex-employees (if they left within a certain timeframe) like yourself, the chairman of the board, and contractors. We also set aside tokens that were pre-negotiated as part of incentive plans.

258.

> You are correct, we did discuss this and took this into account. First let me say that only 18.5% of all the tokens are set aside for the employees, not the total remaining amount, an amount that was 'approved' by the purchasers. Here the steps we took to determine the amount per employee:
>
> 1. 409a valuation
> 2. Worked with an outside consultant to determine total compensation bands (*Policy at the time, 50%tile for salary, 50%tile for equity*)
>   a. Reviewed:
>   i. Job Level
>   ii. Years of Service
>   iii. Role type
>   iv. Location (used bay area only)
> 3. Ran all equity numbers as if these would be awarded at the time someone joined
> 4. Adjusted comp ratio to 100%tile
> 5. Added refresh increases for length of service
>   a. 1+ years = 125%
>   b. 2+ years = 150%
>   c. 3+ years = 175%
> 6. Re-ran the numbers
> 7. Awarded equity and options at that level
> 8. Calculated fully vested and exercised equity ownership
> 9. Used this as a base to calculate the token award
> 10. Normalised numbers by excluding ex-employees
> 11. Used 'pow' formula to equalise the token distribution
>   a. Example effect 2x more tokens per FTE reduced token of high equity holders
> 12. Rounded the numbers
> 13. Created a 'boost pool' for employees that have been highly involved in TrueFi
> 14. Added boosts

259. As a current 45% shareholder and former founder and employee of the Company, Jai is entitled to the same Token dividend.

260. As of this date, Jai has not yet received this Token grant by and through the TrustLabs.

261. By withholding from Jai, the Token grant to which he is lawfully entitled, Defendants, including TrustLabs, have converted Mr. An's property, and breached fiduciary responsibilities Defendants had against a shareholder having 45% of shares of the Company, a violation of shareholder rights.

Breach of Contract

262. Jai, as the founder and CEO of TrustLabs, held 45% of the Company's equity during his tenure from 2015 to 2020 along with Rafael who also held 45% of the Company's equity.

263. During this period, the TRU Tokens grants Rafael and myself were negotiated and agreed upon with me as CEO and the two of us comprising the only two Board Seats during this period.

264. Rafael and I wrote a spreadsheet with agreements for what would happen if either one of us were to depart.

265. Although I no longer have access to these documents, I have screenshots of a small portion of the Google Sheets that Rafael sent me over iMessage. These screenshots demonstrate the agreements we documented regarding founder token grants.

266. We used the names Roger and Jorge (as opposed to Rafael and Jai) as a substitute filler during these negotiations as an aid toward objectivity and how to design a fair contract between both parties.

267. I no longer have access to these underlying Google Sheets; however, as of July 10, 2023, Google indicates the Sheet is not deleted, which I have recorded a video of, in the event that Rafael or the Company attempt to delete evidence after this complaint filing.

268.

Tokens		
	Tokens already vested	Tokens to be vested based on value function
Jorge	20.78%	20.78%
Roger	20.78%	6.23%

269. These agreements are well documented in the Google Sheet mentioned above.

270.

Company signs agreement with Raf and Jai to the effect of *"Split of compensation between Roger and Jorge in the event of a change of control would be based on vested shares and not unvested shares"*

TrueFi's TRU Token Economics

Distribution & Supply Plans for TRU as of Feb 2021

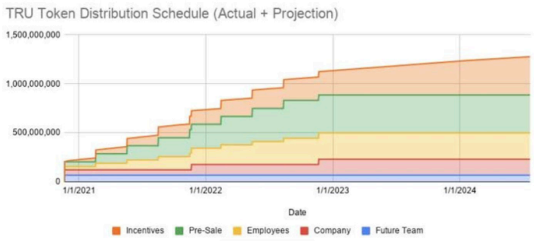
Essential Figures:

Max supply: 1.44bn

Current circulating supply (as of 1/3/22): 555,897,218

Token allocations:

1. **Incentives** (yield farming) = 565,500,000 (39%)
2. **Pre-Sale** = 387,917,402 (26.75%)
3. **Team** = 268,250,000 (18.5%)
4. **Company/Foundation** = 163,082,598 (11.25%)
5. **Future Team** = 65,250,000 (4.5%)



271. The documentation, as referred to above, clearly shows that the founders were eligible and entitled to token grants issued on November 21, 2020, and demonstrates a clear contract by the Company to provide compensation in the form of tokens to its founders.

272. However, despite being the CEO and a founder for five years, Jai did not receive any tokens or grants.

273. This indicates a breach of contract on the part of the Company, as it failed to fulfill its obligations as stated in the documentation.

274. Rafael, who is also a founder with an equal stake as Jai, granted himself token grants.

275. This differential treatment between the founders and equal 45% shareholder raises serious concerns about fairness and equality within the Company.

276. If one founder, Rafael, was granted TRU tokens with a personal gain of tens of millions of dollars while the other was not, it implies a violation of the contractual agreement that was established among the founders.

277. The Company's actions demonstrate a lack of adherence to the terms and conditions of the contract, potentially constituting a breach.

278. Granting token grants to one founder and excluding the other founder and shareholder raises suspicions of self-dealing and a conflict of interest.

279. The Company and its founders may have engaged in transactions that favored certain individuals over others, potentially to the detriment of the excluded founder.

280. Such actions would violate the duty of good faith and fair dealing, which are fundamental principles in contractual relationships. This breach of trust and fiduciary duty supports the claim of a breach of contract.

281. There is no single test to determine whether a claim arises out of the same transaction or occurrence.

COUNT I
BREACH OF FIDUCIARY DUTY
AGAINST THE INDIVIDUAL DEFENDANTS

282. Plaintiff repeats and realleges all of the allegations above as though fully set forth herein.

283. As Directors and Officers of the Company, the Individual Directors owed duties of loyalty to the stockholders of the Company, including Plaintiff. The Individual Defendants breached their duties by approving the merger agreement to benefit themselves and without any justification.

284. The Individual Defendants failed to follow any of the prescribed rules under Delaware law, the Company's Certificate of Incorporation, or the Company's Bylaws for the approval of such a merger in a rush to enrich themselves.

COUNT II
DECLARATORY RELIEF
AGAINST ALL DEFENDANTS

285. Plaintiff repeats and realleges all of the allegations above as though fully set forth herein.

286. The Company and the Individual Defendants have failed to follow the prescriptions to approve and merge the Company under Delaware, the Company's Certificate of Incorporation, and the Company's Bylaws.

287. Under the Delaware Declaratory Judgment Act, Delaware courts "have the power to declare rights, status, and other legal relations, whether or not further relief is or could be claimed." 10 Del. C. § 6501. According to the Act, "[a] person ... whose rights, status or other legal relations are affected by a statute, municipal ordinance, contract or franchise, may have determined any question of construction or validity arising under the instrument, statute, ordinance, contract or franchise and obtain a declaration of rights, status or other legal relations thereunder." Id. § 6502.

288. Plaintiff is entitled to a Declaration that the proposed merger contravenes the law and should be enjoined from consummation.

COUNT III
BREACH OF FIDUCIARY DUTY
AGAINST INDIVIDUAL DEFENDANTS

289. Plaintiff repeats and realleges all of the allegations above as though fully set forth herein.

290. The Individual Defendants approved and caused the sale of substantially all of the Company's assets, specifically the sales of the TrueUSD token to Tron, without stockholder approval in or around September 2020.

291. The Individual Defendants have never provided any financial information concerning this major corporate event to Plaintiff, even though he owns 45% of the equity of the Company.

292. It is unknown whether the Individual Defendants applied the proceeds of that sale to benefit themselves or the Company.

COUNT IV
BREACH OF FIDUCIARY DUTY
AGAINST INDIVIDUAL DEFENDANTS

293. Plaintiff repeats and realleges all of the allegations above as though fully set forth herein.

294. The Individual Defendants caused the Company to transfer its holdings in TRU tokens to a Cayman Islands company affiliated with them or some of them without stockholder approval or any approval of stockholders, and solely to benefit themselves.

295. The Individuals thereby breached their duty of loyalty to enrich themselves at the Company's and Plaintiff's expense.

COUNT V
BREACH OF CONTRACT
AGAINST THE COMPANY AND COSMAN

296. Plaintiff repeats and realleges all of the allegations above as though fully set forth herein.

297. In California, the co-founders agreed to terms of separation in the event that one of the co-founders departed from the Company.

298. Neither Rafael nor the Company has fulfilled those terms of the severance agreement under California law.

299. The agreement's terms and conditions are fully set forth by writing in email correspondence within the control and custody of Defendants.

COUNT V
UNJUST ENRICHMENT & CORPORATE WASTE
AGAINST INDIVIDUAL DEFENDANTS

300. Plaintiff repeats and realleges all of the allegations above as though fully set forth herein.

301. The Individual Defendants awarded themselves tens of millions of dollars worth of TRU tokens in 2020 after removing Jai as CEO without ever seeking any stockholder approval or notice.

302. Without a compensation plan or dividend appropriately approved by the stockholders, this distribution was a waste of corporate assets and use of the Company's assets to personally benefit themselves.

COUNT VI
ACCOUNTING
AGAINST ALL DEFENDANTS

303. Plaintiff repeats and realleges all of the allegations above as though fully set forth herein.

304. Based upon the statutory violations, failure to abide by the Company's Certificate of Incorporation and Bylaws, and excessive distributions made to

the Individual Defendants, accounting should be had to account for all of the corporate assets wasted or misused by the Individual Defendants.

COUNT VII
BREACH OF FIDUCIARY DUTY - OPPRESSION OF MINORITY SHAREHOLDER
AGAINST ALL DEFENDANTS

305. Plaintiff repeats and realleges all of the allegations above as though fully set forth herein.

306. As a 45% shareholder in TrustLabs, Plaintiff is a minority shareholder. The Individual Defendants have engaged in a pattern of misconduct and malfeasance designed to oppress Plaintiff in this capacity, including excluding Plaintiff from company dividends, denying access to corporate records, and retaliation against Plaintiff for voicing concerns.

307. These actions betrayed Plaintiff's reasonable expectations as a large minority shareholder and co-founder. Moreover, this conduct was harsh, wrongful, and intentionally burdensome on Plaintiff. As such, this constitutes oppression of Plaintiff as a minority shareholder under Delaware law.

COUNT VII
EQUITABLE RESCISSION
AGAINST ALL DEFENDANTS

308. Plaintiff repeats and realleges all of the allegations above as though fully set forth herein.

309. The agreements pertaining to founder shares, equity splits, and token allocations between Plaintiff and other TrustLabs founders were entered into based on misrepresentations regarding Plaintiff's ongoing role and rights in the company.

310. As such, Plaintiff is entitled to equitable rescission and cancellation of any agreements that unjustly enriched other founders through TrustLabs shares, tokens, or compensation to the detriment and exclusion of Plaintiff.

COUNT VIII
DECLARATORY JUDGEMENT ON SHAREHOLDER RIGHTS AGAINST ALL DEFENDANTS

311. Plaintiff repeats and realleges all of the allegations above as though fully set forth herein.

312. Under Delaware statute, Plaintiff seeks declaratory judgment affirming Plaintiff's rights as a founding TrustLabs shareholder. This includes Plaintiff's rights to access corporate records, receive pro rata dividends and distributions, maintain voting rights, and exercise all other shareholder rights and privileges.

313. This declaration is appropriate and necessary to remedy the Individual Defendants' denial of Plaintiff's shareholder rights.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment as follows:

A. Enjoining and declaring the proposed merger as a violation of Delaware law and the Company's Certificate of Incorporation;

B. Finding the Individual Defendants liable for breaching their fiduciary duties owed to the Plaintiff;

C. Ordering an accounting of the Company's financial accounts including any and all blockchain-based wallets that contain or contained the Company's assets;

D. Ordering Defendants to reimburse Plaintiff damages of $94.32 million, including the costs and disbursements of this Action and reasonable attorneys' fee

G. Awarding such other and further relief as is just and equitable.

Date: July 13, 2023

___/s/ Daniel Jaiyong An_____

Daniel Jaiyong An

Pro Se