

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

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CHAIM KAPLAN, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	Case Nos. 25-MC-527, 13-MC-126,
	)	13-MC-323, 16-MC-94, 16-MC-95,
	)	26-MC-33, 26-MC-34, 26-MC-35, 26-
THE ISLAMIC REPUBLIC OF IRAN,	)	MC-36, 26-MC-81, 26-MC-82, 26-
<i>et al.</i> ,	)	MC-83, 26-MC-84, 26-MC-85, 26-
	)	MC-86, 26-MC-87, 26-MC-88, 26-
Defendants,	)	MC-89, 26-MC-90
	)	
TETHER INTERNATIONAL S.A. <i>de</i>	)	
<i>C.V.</i> ,	)	
	)	
Garnishee (as to all cases).	)	

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**MOTION FOR TURNOVER OF ASSETS DESIGNATED AS BLOCKED  
ASSETS ON OR ABOUT APRIL 24, 2026 AND HELD BY GARNISHEE  
TETHER INTERNATIONAL S.A. DE C.V.**

Please take notice that Plaintiffs and Judgment Creditors in the related actions mentioned in the caption hereby move for an order requiring Garnishee Tether International *S.A. de C.V.* to turn over all property in its control belonging to Defendant and Judgment Debtor Iran or its agencies, instrumentalities, or controlled entities, including the Islamic Revolutionary Guard Corps. Specifically, Plaintiffs and Judgment Creditors seek an order that Tether turn over 344,149,759 USDT held at two blocked addresses by freezing the identified coins and issuing new ones to a wallet address to be specified by counsel. The Motion is supported by a memorandum of law, a statement of undisputed material facts, and exhibits, filed concurrently.

Respectfully submitted,

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THE ISLAMIC REPUBLIC OF IRAN,	)	MC-36, 26-MC-81, 26-MC-82, 26-
<i>et al.</i> ,	)	MC-83, 26-MC-84, 26-MC-85, 26-
	)	MC-86, 26-MC-87, 26-MC-88, 26-
Defendants,	)	MC-80, 26-MC-90
	)	
TETHER INTERNATIONAL S.A. <i>de</i>	)	
<i>C.V.</i> ,	)	
	)	
Garnishee (as to all cases).	)	

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**MEMORANDUM OF LAW IN SUPPORT OF MOTION FOR TURNOVER OF  
ASSETS DESIGNATED AS BLOCKED ASSETS ON OR ABOUT APRIL 24,  
2026 AND HELD BY GARNISHEE TETHER INTERNATIONAL S.A. DE C.V.**

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## INTRODUCTION

Plaintiffs in this group of related Actions<sup>1</sup> are victims of acts of terrorism committed, or facilitated, by Defendant the Islamic Republic of Iran. Plaintiffs were severely injured, traumatized, and lost loved ones at the hands of Iran, and over several decades they have collectively won judgments in U.S. courts worth \$552,315,266 in compensatory damages and \$1,864,624,670 in punitive damages. In the years since those judgments issued, Iran has paid nothing towards its victims. Plaintiffs now seek to collect their judgments against Iran's blocked property held by Garnishee Tether International S.A. *de C.V.*

Tether is a Salvadoran company that issues a crypto asset also called Tether (USDT) on the Ethereum and Tron blockchains (among others). Tether calls USDT a “stablecoin” because, according to Tether's terms of service, “[e]ach Tether Token in circulation is 100% backed by an amount of assets . . . equal to the stated value of the

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<sup>1</sup> This Motion concerns *Campuzano v. Islamic Republic of Iran*, 13-mc-146, *Goldberg-Botvin v. Islamic Republic of Iran*, 13-mc-323, *Ben Haim v. Islamic Republic of Iran*, 16-mc-94, *Ben Haim v. Islamic Republic of Iran*, 16-mc-95, *Kaplan v. Central Bank of The Islamic Republic of Iran*, 26-mc-33, *Braun v. Islamic Republic of Iran*, 26-mc-34, *Botvin v. Islamic Republic of Iran*, 26-mc-35, *Bodoff v. Islamic Republic of Iran*, 26-mc-36, *Ben Yishai v. Syrian Arab Republic*, 26-mc-81, *Borochov v. Islamic Republic of Iran*, 26-mc-82, *Fakhoury v. Islamic Republic of Iran*, 26-mc-83, *Force v. Islamic Republic of Iran*, 26-mc-84, *Fraenkel v. Islamic Republic of Iran*, 26-mc-85, *Jakubowicz v. Islamic Republic of Iran*, 26-mc-86, *Rubin v. Islamic Republic of Iran*, 26-mc-87, *Salzman v. Islamic Republic of Iran*, 26-mc-88, *Stern v. Islamic Republic of Iran*, 26-mc-89, and *Weinstein v. Islamic Republic of Iran*, 26-mc-90.

Tether Token.” SUMF ¶ 2.<sup>2</sup> Tether holds the U.S. Dollar-denominated assets backing USDT at Cantor Fitzgerald, which is headquartered in this District.

Defendants Iran and its agencies and instrumentalities, including the Islamic Revolutionary Guard Corps (IRGC), uses crypto to evade U.S. sanctions. On April 24, 2026, the Treasury’s Office of Foreign Asset Control blocked the USDT balances of two Tron blockchain wallets that collectively hold 344,149,759 USDT because those addresses belong to the Iranian Revolutionary Guard Corps. OFAC, IRAN-RELATED DESIGNATIONS, <https://ofac.treasury.gov/recent-actions/20260424> (April 24, 2026) (see bottom section, listing digital currency addresses). The IRGC is an agency or instrumentality of Iran against which Plaintiffs’ judgment applies. *See* 28 U.S.C. § 1610(f)(1)(A). Tether froze the USDT balances of those addresses in response to OFAC’s action. When Tether freezes the balance of a wallet address, it ensures that the USDT balance of that address will remain the same until the freeze is lifted. On February 3, 2026, Plaintiffs served writs of execution on the Marshal of this District directed to all property interests Iran has with Tether. The USDT balances are thus the “blocked . . . property of” a terrorist party against whom Plaintiffs hold execution liens.

This Motion requests that Tether be ordered to transfer Iran’s property interests to Plaintiffs by decreasing Iran’s USDT balance to zero and increasing Plaintiffs’ by 344,152,813. Under federal law, Defendants’ USDT balances are not

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<sup>2</sup> The Statement Of Undisputed Material Facts For Tether Turnover Of May 14, 2026 filed with this Motion is referred to as SUMF.

immune from execution of these judgments, and indeed the execution of the compensatory-damages portion of these judgments must proceed “notwithstanding any other provision of law,” including any attempt by any agency of the Government to seize and forfeit the USDT balances. *Estate of Levin v. Wells Fargo Bank N.A.* (“*Levin II*”), 156 F.4th 632, 638 (D.C. Cir. 2025). And, under New York law, incorporated here by Rule 69(a), Tether is required to turn over any property of a judgment debtor that it is capable of turning over, and Tether is concededly and obviously capable of turning over USDT because it has done exactly that in response to many U.S. seizure orders. *E.g., United States v. 13.98 Million (“USDT”) Cryptocurrency*, No. 25-CV-3943, Dkt. No. 1 ¶ 72 (D.D.C. Nov. 14, 2025) (“On or about March 19, 2025, the FBI provided Tether with a copy of seizure warrant 25-sz-33. Tether then transferred to the United States the equivalent amount of USDT as was associated with the Target Addresses.”).

### **FACTS AND PROCEDURAL HISTORY<sup>3</sup>**

#### **A. Background on the Judgments And Their Execution**

Each Plaintiff in this case is a survivor of an act of terrorism committed or sponsored by Iran. Over the last 25 years, Plaintiffs have won money judgments

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<sup>3</sup> This Court applies the familiar summary-judgment standard to determine whether the material facts beyond genuine dispute show that the plaintiffs are entitled to turnover as a matter of law. *CSX Transportation, Inc. v. Island Rail Terminal, Inc.*, 879 F.3d 462, 473 (2d Cir. 2018) (explaining that turnover may be sought by motion and incorporating summary-judgment standard). The facts drawn from the judgment in this case are established as true by that judgment and the remaining facts are not subject to genuine dispute.

against Iran in various district courts. SUMF ¶ 29. Starting late last year, Plaintiffs registered their judgments in this Court, and all of the registered cases have been related and assigned before this Court. On February 3, 2026, Plaintiffs served writs of execution on the Marshal regarding all property interests Iran has with Tether, creating an execution lien on those assets. *Don King Prods., Inc. v. Thomas*, 945 F.2d 529, 533 (2d Cir. 1991); *see also* David Gray Carlson, *Critique of the Money Judgment (Part II Liens on Personal Property)*, 83 ST. JOHN'S L. REV. 43, 47–50 (2009) (explaining that New York law creates a lien on property as of the moment the judgment creditor delivers an execution to the executing officer). On February 20, 2026, Plaintiffs sought leave to serve that writ directly on Tether, which would convert the execution lien (which arose when Plaintiffs served writs of execution on the Marshal of this District) into an operative levy. *E.g., id.* Meanwhile, on April 27, 2026, Plaintiffs served a restraining notice on Tether by registered mail, SUMF ¶ 23, which is authorized by New York law, C.P.L.R. § 5222(a). The filing of this Motion will extend the levy until the motion is resolved, Carlson, *supra*; the restraint will operate for one year unless extended or vacated by this Court, C.P.L.R. § 5222(b); and, because the Marshal did not return the executions before the filing of this Motion, Plaintiffs' execution lien will extend until this motion is resolved, Carlson, *supra*.

**B. The Ethereum and Tron Blockchains and the Market for Crypto Assets**

A blockchain is a system for a distributed network of machines to keep a ledger of transactions publicly and securely. ECF No. 4-2, Statement of Undisputed Material

Facts For Circle Turnover (Circle SUMF) ¶ 13.<sup>4</sup> To maintain a blockchain, a distributed network of machines uses a cryptographic function called a “hash” to validate a series of transactions (a “block”) and connect it to all prior series of transactions (hence “chain”) in a way that is verifiable and practically immutable. Circle SUMF ¶ 14.

The blockchain at issue in this case is called Tron. SUMF ¶ 24. Users participate in Tron using wallet addresses, which are digital representations of the sending and receiving ends of transactions on the blockchain. SUMF ¶ 25. Tron can record transactions in many different assets using a protocol called the “TRC-20 standard.” SUMF ¶ 26. This standard enables anyone on the Tron blockchain to create a “token” using something called a “smart contract.” *Id.* All standard tokens have some core functions—all of them have a fixed total supply at any time, may be transferred from one wallet address to another, and are fungible. SUMF ¶ 27. But some TRC-20 tokens have additional functions encoded by their creators, including, for example, the ability for the creator to freeze tokens or to decrease their balances, which allows the issuer to transfer token balances from one wallet address to another. SUMF ¶ 28.

### **C. USDT and Tether’s Business**

Tether International *S.A. de C.V.* is a Salvadoran company that issues USDT, the world’s largest stablecoin by volume. SUMF ¶ 1. Tether’s business is

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<sup>4</sup> Although this Motion does not concern Circle Internet Financial LLC, for the convenience of the Court, Plaintiffs incorporate their statement of undisputed fact and exhibits filed on this docket at ECF No. 4-2 by reference here.

straightforward: It issues USDT in exchange for dollars and redeems them on demand for dollars, always on a one-to-one basis, SUMF ¶ 2. (Tether also issues stablecoins backed by other currencies, like the Euro and Mexican Peso; these assets are not at issue in this Motion.)

To issue USDT, Tether uses its private keys to call the Tether smart contract’s “issue” function, which increases the total possible balance of USDT by the issued amount TETHER TOKEN, *Source Code*, available at <https://etherscan.io/token/0xdAC17F958D2ee523a2206206994597C13D831ec7#code> (last accessed May 11, 2026), and then transfers that amount to the purchaser’s wallet, *id.* Then, anyone with the private keys to *that* wallet address can transfer the USDT to any other wallet address using the “transfer” function. *Id.* Tether always retains the power to cause the USDT balance of any wallet address to remain frozen using its “blacklist” function, or to decrease that balance to zero using its “destroyBlackFunds” function. *Id.* At any time, then, anyone who possesses one of two private keys can cause the USDT balance of a wallet address to decrease while simultaneously causing the USDT balance of another wallet address to increase: the person who holds the private keys to the decreasing (or sending) wallet address can decrease the balance unless Tether has frozen the sending address, and Tether can decrease the balance of any address because it holds the private keys to Tether’s smart contract code. SUMF ¶¶ 3–4.

Tether’s Terms provide that each USDT is backed by “cash, cash equivalents and other assets and may include loan receivables and other assets from [Tether]

Affiliates.” SUMF ¶ 5. . Approximately 72.2% of Tether’s more than \$181.2 billion dollars’ worth of reserves are held in cash or cash-equivalents. SUMF ¶ 6. Tether holds reserves for all USDT holders and gives them the right to redeem USDT for reserves provided that they establish a relationship with Tether and prove their identity. SUMF ¶ 7. For this reason, USDT are called “stablecoins”: ideally the value of 1 USDT token is always one U.S. dollar. Circle SUMF ¶ 25 (explaining concept for stablecoins generally).

Tether Tokens are issued on multiple blockchains. SUMF ¶ 8. Once USDT is in circulation, it is freely negotiable between any two people with blockchain wallet addresses. SUMF ¶ 9. (“Issuances and redemptions of Tether Tokens may be completed with Tether pursuant to these Terms. Tether Tokens may also be used, kept, or exchanged online wherever parties are willing to accept Tether Tokens.”). If Tether discovers that a given blockchain address is attributable to a sanctioned party, or is involved in criminal activity, Tether reserves the right to freeze the USDT balance of the address. SUMF ¶ 10.

Tether has been implicated in illicit finance directly. *E.g.*, Angus Berwick & Tom Wilson, *Crypto Giant Tether Used Fake Documents and Shell Companies to Access Banking*, Wall St. J. (Mar. 3, 2023) (alleging that a Tether account, opened in Turkey in the name of “Denix Royal Dis Ticaret Limited Sirketi,” was specifically used by the Izz ad-Din al-Qassam Brigades—the military wing of Hamas—to convert approximately \$80 million in crypto donations from USDT into cash and referencing a 2020 FBI affidavit filed in support of a search warrant detailing these transactions).

And, after the October 7th attacks in Israel, lawmakers alleged that Tether was “knowingly facilitating violations of the law.” See Letter from Sen. Cynthia Lummis & Rep. French Hill to Att’y Gen. Merrick Garland (Oct. 26, 2023); see also H.R. Subcomm. on Nat’l Sec., Illicit Fin. & Int’l Fin. Insts., *How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror*, 118th Cong. (Oct. 25, 2023). But recently, Tether has been publicly claiming that it “maintains a zero-tolerance policy toward the criminal use of our financial products,” and so “work[s] closely with law enforcement globally to identify and, upon request, freeze assets to prevent further movement when they are linked to illegal activity or illicit actors.” See TETHER, *Tether Supports Freeze of More Than \$344 Million in USDT in Coordination with OFAC and U.S. Law Enforcement*, <https://tether.io/news/tether-supports-freeze-of-more-than-344-million-in-usdt-in-coordination-with-ofac-and-u-s-law-enforcement/> (April 24, 2026). As of April 24, 2026, Tether has frozen over \$4.4 billion in USDT. *Id.*

When Tether freezes the USDT balance of a wallet address, the balance remains the same indefinitely and, thus, the USDT cannot be redeemed. SUMF ¶ 11; TETHER TOKENS, *supra*. When required to comply with seizure orders under U.S. law, Tether zeroes out the USDT balance at one wallet addresses and reissues the same balance to another. See, e.g., *United States v. 4,340,000 Tether (“USDT”)* *Cryptocurrency*, No. 25-CV-386, Dkt. No. 1 at 3 (N.D. Ohio April 25, 2025) (“[P]ursuant to a federal seizure warrant issued by U.S. Magistrate Judge Jonathan D. Greenberg on August 21, 2024, Tether Limited ‘burned’ the USDT tokens

associated with the cryptocurrency address and, on or about November 20, 2024, reissued the equivalent amount of USDT tokens (namely, 4,340,000 USDT) to a U.S. law enforcement-controlled virtual currency wallet.”). Indeed, on at least one publicly known occasion, Tether offered to reissue USDT to someone who alleged that his USDT had been stolen in exchange for an indemnity bond and, although Tether’s counsel maintained that Tether’s “singular focus . . . is to definitively determine the lawful owner of the frozen tether, not fees or costs,” a Tether employee also demanded a “20% fee on all reissued tether.” SUMF ¶ 12. There is, thus, no question that Tether is capable—indeed willing—to transfer USDT from one holder to another by reissuing it to the latter. And the process of reissuing USDT from one owner to another transfers whatever interests the first wallet holder had to the second wallet holder. *See, e.g., United States v. 164,545 USDT*, 25-CV-417, ECF No. 10 (D. Ariz. Jan. 26, 2026) (granting default judgment to United States against defendant *in rem* USDT after Tether transferred USDT balance to United States in response to seizure warrant and no claimants appeared); SUMF ¶ 13 (noting that USDT may be purchased wherever available).

To ensure the balances maintain their value and that Tether can meet its redemption obligations, Tether holds reserve assets to support USDT holders’ right of redemption. SUMF ¶ 14. Cantor Fitzgerald, which is headquartered in this District, serves as a custodian for and manages more than 99% of Tether’s treasury assets. SUMF ¶¶ 15–16. Indeed Tether touts the “Wall Street” backing of its coins publicly for the purpose of assuring the market that the assets are stable and reliable.

*Id.*; see also Krisztian Sandor, *Tether’s Paolo Ardoino: “If the US Government Wanted to Kill Us, They Can Press a Button”*, COINDESK, Oct. 28, 2024 (quoting Tether CEO describing Cantor as an “Ivy League custodian,” and noting that “[w]hat made the difference was [then-Cantor chief and current Secretary of Commerce] Howard [Lutnick] publicly affirming that his firm had done due diligence on Tether and telling everyone ‘we have their money’”). There are approximately \$186 billion tether outstanding today. Hannah Lang, *Tether Is in Talks With “Big Four” Firm About Reserve Audit, CEO Says*, REUTERS (March 21, 2025).

Although Tether updated its terms of service ostensibly to forbid U.S. users from owning USDT, SUMF ¶ 17, Tether makes USDT readily available in the U.S. by allowing it to trade on U.S.-based exchanges and indeed specifically targets New York for USDT sales. SUMF ¶ 18. For example, USDT is currently available for purchase by any U.S. person on Gemini, GEMINI, *Tether Price*, [gemini.com/prices/tether](https://gemini.com/prices/tether) (last accessed May 11, 2015 PM), headquartered in this district, NEW YORK DEP’T OF STATE, DIVISION OF CORPORATIONS, <https://apps.dos.ny.gov/publicInquiry/> (search: “Gemini Trust Company LLC,” returning “County: New York”); and Coinbase, COINBASE, *Tether Price*, [coinbase.com/price/tether](https://coinbase.com/price/tether) (last accessed May 11, 2:20 PM), also headquartered in this district, N.Y. DEP’T OF STATE, *supra* (search: “Coinbase Inc.,” returning “Principal Executive Office Address . . . New York, NY.”). For Tether to be listed on Coinbase in New York, for example, Tether had to submit an application to Coinbase asking to be listed. *E.g.*, COINBASE, *A Guide to the Digital Asset Listing Process at Coinbase*, Sept.

10, 2025, <https://www.coinbase.com/blog/A-Guide-to-the-Digital-Asset-Listing-Process-at-Coinbase>. And Tether surely has the technological power to prevent USDT from being traded on these exchanges by freezing the exchanges' balances.

#### **D. Iran Uses USDT to Evade Sanctions**

Iran is subject to comprehensive primary and secondary U.S. sanctions because it has long been designated a state sponsor of terrorism. U.S. DEP'T OF STATE, STATE SPONSORS OF TERRORISM ("Iran: January 19, 1984."). At the same time, Iran needs to process U.S. dollar transactions for many reasons, including funding its terrorist proxies so that they can buy weapons with which to kill American and Israeli civilians. *E.g.*, TRM Labs, *Iran's Crypto Economy* (Apr. 16, 2023); *See* BitOK, *Analysis of Illicit Flows on the Tron Blockchain* (June 27, 2023). Accordingly, Iran and other terrorist groups have turned to Tether—which is easy to use and reliably maintains a price of one dollar—as a primary means of financing terrorism. *E.g.*, Lummis Letter, *supra*; Elliptic, *How Terrorist Groups Are Exploiting Crypto to Raise Funds and Evade Detection* (Aug. 17, 2023).

#### **E. Tether Freezes USDT in Response to an OFAC Designation**

On April 24, 2026, the Office of Foreign Asset Control of the United States Treasury Department added two Tron blockchain addresses as blocked property on its Specially Designated Nationals list. SUMF ¶ 21. In response, Tether froze the balances of those addresses. SUMF ¶ 22. On April 27, 2026, Plaintiffs served restraining notices on Tether by registered mail, as permitted by New York Civil Practice Law and Rules Section 5222, and, as of this filing, the frozen addresses contain the same balances they did on April 24, 2026. SUMF ¶ 23.

## ARGUMENT

Although the technology underlying this case is novel, the relevant features of the technology are easy to understand, and the legal rules and their application here are straightforward. Tether holds property belonging to Iran. New York and federal law require that Iranian property capable of transfer and possessed by anyone be turned over to those like the Plaintiffs who hold money judgments against Iran. Tether transfers USDT in response to U.S. court orders, and offers from private parties, dozens or hundreds of times a year and, therefore, should be compelled to do so here.

### A. Summary of Argument and Legal Standards

*First*, this Motion arises from the Plaintiffs' efforts to obtain property that Tether keeps on behalf of Iran and its agencies and instrumentalities whose value is backed by assets in New York and, thus, personal jurisdiction over Tether is proper here. *See, e.g., Peterson v. Bank Markazi*, 121 F.4th 983 (2d Cir. 2024); *Koehler v. Bank of Bermuda Ltd.*, 12 N.Y.3d 533, 537 (2009); *infra* § B.

Second, pursuant to the Foreign Sovereign Immunities Act, "any property with respect to which financial transactions are prohibited or regulated pursuant to [the International Emergency Economic Powers Act ('IEEPA')]" is "subject to execution or attachment in aid of execution of any judgment relating to a claim for which a foreign state (including any agency or instrumentality of such state) claiming such property is not immune under. . . section 1605A . . . notwithstanding any other provision of law." 28 U.S.C. § 1610(f)(1)(A). Iran is a state sponsor of terrorism and Plaintiffs are collecting terrorism-related judgments from which it is not immune under Section

1605A. No sovereign immunity protects the assets. *See infra* § C. And, indeed, the compensatory-damages portion of Plaintiffs’ judgment is covered by the Terrorism Risk Insurance Act and, therefore, defeats even the Government’s attempt to forfeit Iran’s assets if the Government makes such an attempt. *Levin II*, 156 F.4th at 648 (holding that judgment creditors who establish state-law liens on Iranian property that government seeks to forfeit defeat Government’s forfeiture).

Third, under New York law, which governs the procedures for execution and the definitions of Iran’s property rights, *Marshak v. Green*, 746 F.2d 927, 930 (2d Cir. 1984), people who hold property for judgment debtors, called “garnishees,” are compelled to turn over (a) any interests of the judgment debtor that (b) they are capable of turning over, N.Y. C.P.L.R. § 5225(b), and courts are empowered to make any reasonable order necessary to effect a good turnover, *id.* § 5240. Thus, under New York law, Tether must turn over any interest Iran has with Tether, “whether it consists of a present or future right or interest and whether or not it is vested.” N.Y. C.P.L.R. § 5201. Tether can, and must, do that by transferring Iran’s USDT balance to the Plaintiffs. *See infra* § D.

Procedurally, New York law enables a judgment creditor to commence a “special proceeding” against a third party who “is in possession or custody of money or other personal property” in which the judgment debtor has an interest. *CSX Transportation, Inc. v. Island Rail Terminal, Inc.*, 879 F.3d 462, 469 (2d Cir. 2018). And, under Second Circuit authority, that proceeding is properly brought by motion, *id.*, and decided under a summary-judgment standard where, as here, the material

facts are not in any genuine dispute, *id.* at 469 (“A special proceeding is . . . as plenary as an action, culminating in a judgment, but is brought on with the ease, speed, and economy of a mere motion.” (quoting David D. Siegel, *New York Practice* § 547 (5th ed. 2017))). Where there are disputed facts, this Court tries them and decides by a preponderance of the evidence. *Id.*

### **B. This Court May Exercise Personal Jurisdiction Over Tether**

This Court may exercise specific personal jurisdiction over Tether because this action arises from its possession of property in New York on behalf of the judgment debtor, Iran, and its agencies and instrumentalities, including the IRGC. For specific personal jurisdiction to be proper, the defendant must have acted in the forum state and that act must give rise to the suit. Specifically, the defendant must take “some act by which [it] purposefully avails itself of the privilege of conducting activities within the forum State.” *Hanson v. Denckla*, 357 U.S. 235, 253 (1958). Those acts must show that the defendant deliberately “reached out beyond” its home—by, for example, “exploit[ing] a market” in the forum State or entering a contractual relationship centered there. *Walden v. Fiore*, 571 U.S. 277, 285 (2014) (internal quotation marks and alterations omitted). And the plaintiff’s claims “must arise out of or relate to the defendant’s contacts” with the forum. *See, e.g., Helicopteros Nacionales de Colombia, S. A. v. Hall*, 466 U.S. 408, 414 (1984).

In *Peterson v. Bank Markazi*, 121 F.4th 983 (2d Cir. 2024), *cert. denied sub nom. Clearstream Banking, S.A. v. Peterson*, 145 S. Ct. 2819 (2025), the Second Circuit explained that turnover actions arising from in-state banking activity give rise to personal jurisdiction. There, plaintiffs “[sought] turnover . . . of the contents of

an account with Clearstream Banking, a Luxembourg-based financial institution,” *id.* at 990, which “[held] securities on behalf of and for the benefit of its clients,” *id.* at 991, one of whom was the Central Bank of Iran against which the plaintiffs held a money judgment, *id.* The court held that Article 52 provided a cause of action in favor of the plaintiffs against the bank and that the turnover action arose from the defendant’s New York contacts because the “right to payment . . . reflects the proceeds of transactions that [the bank] undertook using [a] New York Account.” *Id.* at 1005.

Like *Peterson*, this is an action to compel turnover of property reflecting interests in money held in New York. Indeed the case for personal jurisdiction here is even stronger than it was in *Peterson*—here, Plaintiffs seek turnover of property reflecting a right to payment in New York that, unlike the foreign bank accounts Clearstream held in Luxembourg, is not located abroad. The bulk of Tether’s reserves are in the custody of and managed by Cantor Fitzgerald in New York. SUMF ¶¶ 15–16. Tether actively exploits this fact to calm markets into believing that its tokens will be reliably worth a dollar. *Id.* Although Tether has chosen El Salvador as its headquarters, it nonetheless chooses New York to hold its reserves. *Id.* What’s more, Tether profits from in-forum activity by selling its tokens on New York exchanges. SUMF ¶ 18. Thus, Tether “purposefully avails itself of the privilege of conducting activities within” New York, *Hanson*, 357 U.S. at 253, and this Article 52 Motion “arises from” that activity, *Peterson*, 121 F.4th at 991. Thus, as in *Peterson*, this Court may exercise specific personal jurisdiction over Tether to compel it to turn over property it possesses on behalf of Iran.

If Tether had previously been served with a writ of execution, because it is a mere garnishee, and this Motion seeks turnover of Iran’s assets not Tether’s, service of this motion would need only to comply with the notice provisions of Rule 5. *E.g.*, *Harrison v. Republic of Sudan*, 802 F.3d 399, 406 (2d Cir. 2015) (“Service of . . . post-judgment motions . . . [i]s required to adhere only to the notice provisions of the federal rules . . . . [under which a] ‘paper is served’ by ‘mailing it to the person’s last known address—in which event service is complete upon mailing.’” (quoting Fed. R. Civ. P. 5(b)(2)(C))). But because Plaintiffs’ motion for alternative service remains pending, Plaintiffs will effect service of this Motion (but not of the writs of execution) in compliance with Rule 69(a) and Rule 4 of the Federal Rules of Civil Procedure as if this were a summons and complaint. *E.g.*, *Reich v. Casabella Landscaping, Inc.*, 2024 U.S. Dist. LEXIS 219588, at \*9 (S.D.N.Y. Dec. 3, 2024) (noting that turnover motions may be served in the same manner as a summons and collecting cases).

**C. Iranian USDT Are The “Blocked Assets” of a “Terrorist Party”  
And so Subject to Execution Here**

The USDC in the Wallet Addresses belongs to Iran or its agency or instrumentality and is frozen for that reason, *see OFAC, supra*, and so, under federal law, it is subject to execution here.

*First*, although some property of foreign governments is immune from execution, the punitive damages portion of the judgment here is not because Iranian property is covered by the International Emergency Economic Powers Act (IEEPA) and, therefore, under the FSIA that property “is subject to execution . . . of any judgment relating to a claim for which a foreign state (including any agency or

instrumentality of such state) claiming such property is not immune under . . . section 1605A [which concerns terrorism-related judgments like Plaintiffs’] . . .” 28 U.S.C. § 1610(f)(1)(A).

*Second*, a lien to execute the compensatory-damages portion of any terrorism-related judgment against the blocked assets of a state sponsor of terrorism prevails over any other competing interest, including the Government’s. *Levin II*, 156 F.4th at 638. Here, the Iranian USDT are blocked assets of a terrorist party and the Plaintiffs’ judgment is for an act of terrorism, and so the Plaintiffs’ execution lien prevails.

Section 201 of the TRIA provides in relevant part that

Notwithstanding any other provision of law, . . . in every case in which a person has obtained a judgment against a terrorist party on a claim based upon an act of terrorism, . . . the blocked assets of that terrorist party (including the blocked assets of any agency or instrumentality of that terrorist party) shall be subject to execution or attachment in aid of execution in order to satisfy such judgment to the extent of any compensatory damages for which such terrorist party has been adjudged liable.

*Id.* (quoting Terrorism Risk Insurance Act of 2002, Pub. L. 107-297, 116 Stat. 2322).

The “TRIA defines a ‘blocked asset’ as ‘any asset seized or frozen by the United States’ under [IEEPA], but it excludes from the definition assets that are subject to certain licenses or used exclusively for diplomatic purposes.” *Id.* (quoting TRIA § 201(d)(2)(A)–(B)). The TRIA “defines a ‘terrorist party’ to include any foreign country designated as a state sponsor of terrorism.” *Id.* (quoting TRIA § 201(d)(4)). And a terrorism-related judgment includes “any judgment relating to a claim for which a foreign state (including any agency or instrumentality of such state) claiming such property is not immune under section . . . 28 U.S.C. § 1605A.” 28 U.S.C. § 1610.

The USDT at issue meets this definition: They have been specifically blocked by OFAC,<sup>5</sup> SUMF ¶¶ 21–22, and no license has issued covering them, *id.* And Plaintiffs’ judgments all are for acts of terrorism. SUMF ¶ 29.

**D. Iran’s Property in The Wallet Addresses Is Subject to Turnover From Tether to The Plaintiffs**

Iran’s property interests currently in the Wallet Addresses are subject to turnover in favor of the Plaintiffs because USDT are “property” that can be transferred and Tether has the power to transfer it or, in the alternative, USDT represent interests in the reserve assets and there is no question that Tether has the power to transfer those interests. *E.g., United States v. 4,340,000 Tether (“USDT”) Cryptocurrency*, No. 25-CV-386, Dkt. No. 1 at 3 (N.D. Ohio April 25, 2025).

Under New York law, “those property interests of the judgment debtor ‘which by law the debtor may assign or transfer, may be sought for application to the judgment.’” *All. Bond Fund, Inc. v. Grupo Mexicano de Desarrollo*, 190 F.3d 16, 24 (2d Cir. 1999) (citing David D. Siegel, *New York Practice* § 491, at 755 (2d ed. 1991)); *ABKCO Indus., Inc. v. Apple Films, Inc.*, 39 N.Y.2d 670, 674 (1976). “New York law contains ‘no threshold requirement that the attaching creditor show the value of the

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<sup>5</sup> These assets would have been “blocked” even if OFAC had not specifically designated the addresses. Iran and IRGC are “designated persons” under IEEPA. *See, e.g., OFFICE OF FOREIGN ASSETS CONTROL (OFAC), SPECIALLY DESIGNATED NATIONALS AND BLOCKED PERSONS LIST* (Oct. 2025). And the property is “within the United States” because it reflects an interest in assets in New York. The assets are, therefore, automatically blocked. *Kirschenbaum v. 650 Fifth Ave.*, 830 F.3d 107, 137 (2d Cir. 2016) (“[A]ll assets belonging to an entity that satisfies [the] definition of [a terrorist party under an executive order] are automatically blocked.”). These particular assets have been specifically blocked by OFAC, though, so that “automatically blocked” definition need not enter the analysis.

attached property or indeed that it has any value.” *All. Bond Fund*, 190 F.3d at 24 (quoting *ABKCO*, 39 N.Y.2d at 674). In *ABKCO*, for example, the plaintiff sought turnover of an English creditor’s interest in the as-yet-unrealized profits of a contract to produce a film in New York. 39 N.Y.2d at 674. The Court of Appeals held that this inchoate interest was “property” that could be ordered turned over—the point of New York law is that the judgment creditor gets to decide whether it is commercially reasonable to pursue collection of a property interest and, so long as that interest is assignable, it must be turned over. *All. Bond Fund*, 190 F.3d at 21 (“If from the judgment creditor’s point of view the asset is worth pursuing as a matter of economics, *ABKCO* authorizes the pursuit notwithstanding the contingent nature of the asset, and even though nothing may come of the chase.”).

Here, the Plaintiffs seek turnover of any and all interests Iran has or may have with Tether. Those interests can be conceptualized in two ways, either of which results in turnover here.

*First*, the digital ledger balances are themselves property that can be turned over. There is no question that the balances themselves are “assignable” as that term is used in *ABKCO* because they can be, and indeed very frequently are, transferred between complete strangers. The Plaintiffs are thus entitled to turnover of Iran’s USDT regardless whether those USDT carry with them *any* rights as against Tether or any other entity, just as the Plaintiffs would be entitled to the turnover of, say, baseball cards issued by Topps and possessed by a garnishee, *e.g.*, *Freeman v. Giuliani*, No. 24-MC-353, Dkt. No. 10-2 at 4 (S.D.N.Y. Aug. 30, 2024) (seeking

turnover of, among other things sports memorabilia), even though those cards carry with them no rights against Topps. To the extent Tether quibbles that it does not “possess” USDT and that turnover requires “possession,” New York law requires turnover of any economic interests that can be turned over—in *ABKCO*, no one can possibly “possess” the inchoate interest in an as-yet unmade film, and yet it was ordered turned over, 39 N.Y.2d at 674—and regardless Tether in fact does possess all USDT under New York law. *See* N.Y. Unif. Comm. Code § 12-105 (explaining that exclusive power to control a “controllable electronic record” like USDT is exclusive even in some circumstances where another person can also exercise it).

*Second*, even though the Plaintiffs are entitled to turnover of USDT even if they carry with them no rights as against Tether, in fact holders of USDT are entitled under Tether’s terms of service to an assignable interest in the reserves backing those coins. Under Tether’s terms of service, the right to redeem USDT directly with the company is limited to non-U.S. persons who establish a relationship with Tether, and that relationship is “personal” and “non-assignable.” *See* Gerstein Decl. Ex. A, Tether Terms, at § 4.1. But the non-assignability of Tether’s terms is limited only to the provision of services to “Tether Token Wallets,” which are those with which users *directly* transact with Tether. *Id.* at § 1.1.40. All USDT holders on the secondary market—that is those who have bought or sold USDT to or from parties other than Tether—have the explicitly *assignable* right to compel Tether to “back[]” each USDT with “an amount of assets (‘Reserves’) equal to the stated value of the Tether Token[s]” because Tether’s terms distinguish between the right to *redeem* reserves

(which is not assignable) and the right to hold tokens *backed by* reserves (which is): “Issuances and redemptions of Tether Tokens may be completed with Tether pursuant to these Terms. Tether Tokens may also be used, kept, *or exchanged* online *wherever* parties are willing to accept Tether Tokens.” *Id.* (emphasis added).

Straightforwardly, then, the interest that any USDT holder has in Tether’s reserves—even if that interest is merely the right to ensure that the reserves remain held by Tether to support the value of the coins—is assignable, *id.* Perhaps Tether will contend that because terms of service give it discretion to deny redemption in certain circumstances, Tether therefore has no valuable obligations to its coinholders. But under New York law, that does not matter—Tether is required to turnover any assignable interest, *All. Bond Fund*, 190 F.3d at 21, and whatever rights USDT give their holders those rights are assignable and are indeed very frequently assigned: Between \$80 billion and \$120 billion worth of USDT change hands *every day*. *E.g.*, COINGECKO, *Tether*, <https://www.coingecko.com/en/coins/tether> (last accessed Dec. 16, 2025). They always do so for a dollar. *Id.*

#### **E. The USDT in The Wallet Addresses Belong to Iran**

Finally, the Plaintiffs are entitled to turnover of USDT that are property of Iran or its agencies or instrumentalities, including the Iranian Revolutionary Guard Corps. *E.g.*, N.Y. C.P.L.R. § 5225. There is no question that the USDT balances of the addresses at issue in this Motion belong to Iran or its agencies or instrumentalities. SUMF ¶¶ 20–22. And Plaintiffs’ judgments against Iran (and against the IRGC) are enforceable directly against IRGC property because that property is “blocked” as well.

*E.g., Rubin v. Islamic Republic of Iran*, 583 U.S. 202, 211 (2018) (explaining that Congress in 28 U.S.C. § 1610(g) made terrorism judgments enforceable against otherwise not-immune property of agencies or instrumentalities regardless of the relationship between the agency or instrumentality and the judgment debtor state).

### CONCLUSION

For the foregoing reasons, this Court should grant turnover and require Tether to transfer the USDT balances of Wallet Addresses to the Plaintiffs at an address to be specified in a sealed filing if this Motion is granted.

Respectfully submitted,

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**CERTIFICATE OF COMPLIANCE**

I certify that the foregoing memorandum contains 6,107 words using Microsoft's word count tool.

/s/ Charles Gerstein

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

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CHAIM KAPLAN, <i>et al.</i> ,		)	
		)	
Plaintiffs,		)	
		)	Case Nos. 25-MC-527, 13-MC-126,
v.		)	13-MC-323, 16-MC-94, 16-MC-95,
		)	26-MC-33, 26-MC-34, 26-MC-35, 26-
THE ISLAMIC REPUBLIC OF IRAN,		)	MC-36, 26-MC-81, 26-MC-82, 26-
<i>et al.</i> ,		)	MC-83, 26-MC-84, 26-MC-85, 26-
		)	MC-86, 26-MC-87, 26-MC-88, 26-
Defendants,		)	MC-89, 26-MC-90
		)	
TETHER INTERNATIONAL S.A. <i>de</i>		)	
<i>C.V.</i> ,		)	
		)	
Garnishee (as to all cases).		)	
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**STATEMENT OF UNDISPUTED MATERIAL FACTS IN SUPPORT OF  
MOTION FOR TURNOVER OF ASSETS DESIGNATED AS BLOCKED  
ASSETS ON OR ABOUT APRIL 24, 2026 AND HELD BY GARNISHEE  
TETHER INTERNATIONAL S.A. DE C.V.**

The Plaintiffs in these related cases respectfully submit the following  
Statement of Undisputed Material Facts in support of their Motion for Turnover:

1. Tether International S.A. *de C.V.* is a Salvadoran company that issues USDT, the world’s largest stablecoin by volume. Ex. C, Independent Auditors’ Report at 6.
2. Tether issues USDT in exchange for dollars and redeems them on demand for dollars, always on a one-to-one basis. Ex. A, Tether Terms at § 4.1.
3. To issue USDT, Tether uses its private keys to call the Tether smart contract’s “issue” function, which increases the total possible balance of USDT by

the issued amount TETHER TOKEN, *Source Code*, available at <https://etherscan.io/token/0xdAC17F958D2ee523a2206206994597C13D831ec7#code> (last accessed May 11, 2026), and then transfers that amount to the purchaser's wallet, *id.* Then, anyone with the private keys to *that* wallet address can transfer the USDT to any other wallet address using the "transfer" function. *Id.*

4. Tether always retains the power to cause the USDT balance of any wallet address to remain frozen using its "blacklist" function, or to decrease that balance to zero using its "destroyBlackFunds" function. *Id.*

5. Tether's Terms provide that each USDT is backed by "cash, cash equivalents and other assets and may include loan receivables and other assets from [Tether] Affiliates." Ex. A at § 4.1.

6. Approximately 72.2% of Tether's more than \$181.2 billion dollars' worth of reserves are held in cash or cash-equivalents. Ex. C at 6, 8.

7. Tether holds reserves for all USDT holders and gives them the right to redeem USDT for reserves provided that they establish a relationship with Tether and prove their identity. Ex. A at § 4.1.

8. Tether Tokens are issued on multiple blockchains. Ex. D, What are Tether Tokens and How Do They Work?, at 2.

9. Once USDT is in circulation, it is freely negotiable between any two people with blockchain wallet addresses. Ex. A at § 4.1.

10. If Tether discovers that a given blockchain address is attributable to a sanctioned party, or is involved in criminal activity, Tether reserves the right to

freeze the USDT balance of the address. Ex. E, Tether Risk Disclosure Statement § 13.

11. When Tether freezes the USDT balance of a wallet address, the balance remains the same indefinitely and, thus, the USDT cannot be redeemed. TETHER TOKENS, *supra*.

12. On at least one publicly known occasion, Tether offered to reissue USDT to someone who alleged that his USDT had been stolen in exchange for an indemnity bond and, although Tether’s counsel maintained that Tether’s “singular focus . . . is to definitively determine the lawful owner of the frozen tether, not fees or costs,” Ex. F, Email Exchange at 19, a Tether employee also demanded a “20% fee on all reissued tether,” *id.* at 38.

13. The process of reissuing USDT from one owner to another transfers whatever interests the first wallet holder had to the second wallet holder. Ex. A at § 4.1 (noting that USDT may be purchased wherever available).

14. To ensure the balances maintain their value and that Tether can meet its redemption obligations, Tether holds reserve assets to support USDT holders’ right of redemption. *Id.*

15. Cantor Fitzgerald is headquartered in this District. *see* CANTOR FITZGERALD, *Our Locations*, [cantor.com/locations](https://www.cantor.com/locations) (last accessed May 11, 2026) (“New York—Headquarters.”).

16. Cantor Fitzgerald serves as a custodian for and manages more than 99% of Tether’s treasury assets. Hannah Lang, *Tether Is in Talks With “Big Four”*

*Firm About Reserve Audit, CEO Says*, REUTERS (March 21, 2025) (“Of the U.S. Treasury bills, 99% are held with Wall Street brokerage company Cantor Fitzgerald, [Paolo] Ardoino[, Tether CEO] said.”). Tether actively exploits this fact to calm markets into believing that its tokens will be reliably worth a dollar. *Id.*

17. Tether updated its terms of service ostensibly to forbid U.S. users from owning USDT, Ex. A at §§ 1.1.30, 2, 3.

18. Notwithstanding those terms, Tether makes USDT readily available in the U.S. by allowing it to trade on U.S.-based exchanges and specifically targets New York for USDT sales. For example, USDT is currently available for purchase by any U.S. person on Gemini, GEMINI, *Tether Price*, [gemini.com/prices/tether](https://gemini.com/prices/tether) (last accessed May 11, 2015 PM), headquartered in this district, NEW YORK DEP’T OF STATE, DIVISION OF CORPORATIONS, <https://apps.dos.ny.gov/publicInquiry/> (search: “Gemini Trust Company LLC,” returning “County: New York”); and Coinbase, COINBASE, *Tether Price*, [coinbase.com/price/tether](https://coinbase.com/price/tether) (last accessed May 11, 2:20 PM), also headquartered in this district, N.Y. DEP’T OF STATE, *supra* (search: “Coinbase Inc.,” returning “Principal Executive Office Address . . . New York, NY.”).

19. For Tether to be listed on Coinbase in New York, for example, Tether had to submit an application to Coinbase asking to be listed. *E.g.*, COINBASE, *A Guide to the Digital Asset Listing Process at Coinbase*, Sept. 10, 2025, <https://www.coinbase.com/blog/A-Guide-to-the-Digital-Asset-Listing-Process-at-Coinbase>.

20. Iran is subject to comprehensive primary and secondary U.S. sanctions because it has long been designated a state sponsor of terrorism. U.S. DEP'T OF STATE, STATE SPONSORS OF TERRORISM ("Iran: January 19, 1984.").

21. On April 24, 2026, the Office of Foreign Asset Control of the United States Treasury Department added two Tron blockchain addresses as blocked property on its Specially Designated Nationals list. OFAC, IRAN-RELATED DESIGNATIONS, <https://ofac.treasury.gov/recent-actions/20260424> (April 24, 2026).

22. In response, Tether froze the balances of those addresses. TETHER, *Tether Supports Freeze of More Than \$344 Million in USDT in Coordination with OFAC and U.S. Law Enforcement*, <https://tether.io/news/tether-supports-freeze-of-more-than-344-million-in-usdt-in-coordination-with-ofac-and-u-s-law-enforcement/> (April 24, 2026).

23. On April 27, 2026, Plaintiffs served restraining notices on Tether by registered mail, as permitted by New York Civil Practice Law and Rules Section 5222, Ex. B, Receipt for Registered Mail; Gerstein Decl. ¶ 2b; and, as of this filing, the frozen addresses contain the same balances they did on April 24, 2026. *See* TRONSCAN, [tronscan.org](https://tronscan.org) (search: TNiq9AXBp9EjUqhDhrwrfvAA8U3GUQZH81 and TTiDLWE6fZK8okMJv6ijg42yrH6W2pjSr9) (last accessed May 11, 2026).

24. Tron is a blockchain. Ex. G, Tron Whitepaper.

25. Users participate in Tron using wallet addresses, which are digital representations of the sending and receiving ends of transactions on the blockchain. *Id.* at 7.

26. Tron can record transactions in many different assets using a protocol called the “TRC-20 standard.” This standard enables anyone on the Tron blockchain to create a “token” using something called a “smart contract.” *Id.* at 29.

27. All standard tokens have some core functions—all of them have a fixed total supply at any time, may be transferred from one wallet address to another, and are fungible. *Id.*; *see also* Circle SUMF ¶ 17.

28. But some TRC-20 tokens have additional functions encoded by their creators, including, for example, the ability for the creator to freeze tokens or to decrease their balances, which allows the issuer to transfer token balances from one wallet address to another. Ex. G at 28–29.

29. Plaintiffs in the above-captioned matter have judgments against Iran for acts of terrorism, issued in several federal courts, totaling over \$2 billion, with interest accruing. *See* Gerstein Decl. ¶ 1.

Respectfully submitted,

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# Legal

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Last updated: Nov 27th, 2025

**IMPORTANT: These Token Terms of Sale and Service govern the Tether Tokens, Tether Tokens Wallets and the Services (each as defined below). By purchasing or redeeming Tether Tokens, obtaining a Tether Tokens Wallet or accessing or using any of the Services, you acknowledge that you have read, understand, and completely agree to be bound by these Terms. If you do not agree to these Terms, as amended or modified by any subsequent amendment, change or update: (a) do not purchase or redeem Tether Tokens and (b) do not access the Site, access or use a Tether Tokens Wallet or use any of the Services. These Terms may be amended, changed, or updated by Tether at any time and without prior notice to you.**

**Only Persons (as defined below) who meet the requirements of these Terms are permitted to access the Site or use the Services. Any Person who is not eligible that utilizes the Services or who accesses the Site will be in breach of these Terms and may have any Fiat, Digital Tokens (each as defined below), funds, proceeds or other property, confiscated.**

These Terms apply to users of tether.to and app.tether.to (all pages, excluding gold.tether.to and any of its subpages and alloy.tether.to and any of its subpages, at such addresses are sometimes referred to as the "Site"). You should read these Terms carefully to determine which provisions apply to you. These Terms will continue to apply to you in respect of all the Services. By purchasing or redeeming a Tether Token through the Site or transferring Tether Tokens into or from a Tether Tokens Wallet (collectively or individually, the "Services"), the user (referred to herein as "user," "you" or "your") agrees to these Terms.

These Terms, together with the Incorporated Materials (as defined below), constitute the entire agreement and understanding with respect to the access or use of any or all of the Services, and any access or use of the Site, between you and Tether International, S.A. de C.V. (formerly Tether International Limited) or any successor provider of the Services (together with any successors or assigns, "Tether"). Each of you and Tether are a "Party" and, collectively, the "Parties."

**NOTICE OF ASSIGNMENT:** Prior to 27 January 2025, these Terms constituted a contract between certain users of the Service ("Prior TL Users") and Tether Limited. As of and with effect from 27 January 2025: (1) Tether Limited assigned, granted, conveyed and transferred to Tether all of Tether Limited's right, title and interest in and to these Terms in respect of any Prior TL Users, and Tether has accepted such assignment; (2) Tether has agreed to acquire and perform all of Tether Limited's duties, liabilities and obligations under these Terms; (3) Tether is substituted for Tether Limited as a party to, and is bound by these Terms, and any references to Tether Limited in any prior versions of these Terms are to be read and construed as references to Tether; and (4) all rights of action and remedies vested in Tether Limited pursuant to these Terms shall vest in Tether. By utilising any of the Services on or after 27 January 2025, each Prior TL User irrevocably and unconditionally consents to the foregoing novation and assignment and releases and forever discharges Tether Limited from all further obligations arising under the Terms, whether present or future, actual or contingent.

For users of the Service who were not Prior TL Users, there is no change in counterparty. However, please note that Tether International Limited has redomiciled from the British Virgin Islands to the Republic of El Salvador, and is now named Tether International, S.A. de C.V.

The following documents are incorporated into these Terms by reference: the [Risk Disclosure Statement](#); the [Anti-Spam Policy](#); the [Law Enforcement Requests Policy](#); and the [Fee Schedule](#) (the "Incorporated Materials"). Also, these Terms should be read in conjunction with the [Privacy Statement](#) and the [Cookies Notice](#). In particular, please note that all transactions involving the Tether Tokens may be subject to fees levied by Tether as set out and updated in the [Fees Schedule](#) from time to time or as otherwise agreed between you and Tether. In the event of any inconsistency between these Terms, the Incorporated Materials and any other pages, policies, terms, conditions, licences, limitations, or obligations contained within or on the Site, these Terms shall prevail. The information provided at tether.to/en/transparency and its subpages is provided to the public as part of Tether's continued commitment to transparency and is not a part of these Terms.

**PLEASE REVIEW THE ARBITRATION PROVISION SET FORTH BELOW CAREFULLY, AS IT WILL REQUIRE ALL PERSONS TO RESOLVE DISPUTES ON AN INDIVIDUAL BASIS THROUGH FINAL AND BINDING ARBITRATION AND TO WAIVE ANY RIGHT TO PROCEED AS A REPRESENTATIVE OR CLASS MEMBER IN ANY CLASS OR REPRESENTATIVE PROCEEDING. BY UTILISING THE SERVICES, YOU EXPRESSLY ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND ALL THESE TERMS AND HAVE TAKEN TIME TO CONSIDER THE CONSEQUENCES OF THIS IMPORTANT DECISION.**

The Tether Tokens and Services are not appropriate for Persons who do not possess the appropriate level of knowledge and experience to deal in them. Tether is under no obligation to assess the suitability of the Tether Tokens or Services for users and any comment or statement which may be made by Tether or any Associate as to the suitability of the Services to you should under no circumstances be considered as investment or legal advice and should not be received or relied upon as such. For further information on the risks of holding Tether Tokens and utilising the Services, you can review the [Risk Disclosure Statement](#) here.

The access or use of the Site and any of the Services is void where such access or use is prohibited by, would constitute a violation of, or would be subject to penalties under applicable Laws, and shall not be the basis for the assertion or recognition of any interest, right, remedy, power, or privilege.

## 1. Interpretation

1.1. **Definitions:** In these Terms and all documents incorporated herein by reference, the following words have the following meanings unless otherwise indicated:

1.1.1. **"Affiliate"** means, in relation to a Person, a direct or indirect subsidiary of that Person, a holding company of that Person, and any other subsidiary of that holding company;

- 1.1.2. **"AML"** means anti-money laundering, including, all Laws applicable to the Parties prohibiting money laundering or any acts or attempted acts to conceal or disguise the identity or origin of; change the form of; or move, transfer, or transport, illicit proceeds, property, funds, Fiat, or Digital Tokens, including the promotion of any unlawful activity such as fraud, tax evasion, embezzlement, insider trading, financial crime, bribery, cyber theft or hack, narcotics trafficking, weapons proliferation, terrorism, or Economic Sanctions violations, which may also require internal controls to detect, prevent, report, and maintain records of suspected money laundering or terrorist financing;
- 1.1.3. **"Anti-Corruption"** means all Laws applicable to each Party prohibiting corruption or bribery of Government Officials, kickbacks, inducements, and other related forms of commercial corruption or bribery;
- 1.1.4. **"Associates"** means each and every one of Tether's Affiliates and each of its and its respective Affiliates' shareholders, directors, officers, Affiliates, employees, contractors, agents, partners, insurers, and attorneys;
- 1.1.5. **"Canadian Person"** means:
- 1.1.5.1. a resident of any province or territory of Canada;
- 1.1.5.2. any Person established or organised in or under the Laws of Canada or any province or territory of Canada;
- 1.1.5.3. any estate of a decedent who was a resident of any province or territory of Canada; or
- 1.1.5.4. any Person established or organised outside Canada or any province or territory of Canada, in which any of the Persons described in paragraphs 1.1.5.1 to 1.1.5.3 (and in the case of Person(s) described in 1.1.5.2., provided that such Person(s) are themselves actively carrying on business in Canada), whether singularly or in the aggregate, directly or indirectly (i) holds a 50 percent or greater equity interest by votes or value, (ii) holds a majority of seats or memberships on the board of directors of the entity, or (iii) authorises, establishes, directs, or otherwise controls the actions, policies, personnel decisions, or day-to-day operations of the Person;
- 1.1.6. **"Controlling Person"** means any Person who owns more than a 25 percent interest in any Person or Affiliate of that Person;
- 1.1.7. **"Copyrights"** has the meaning set out in paragraph 10.2 of these Terms;
- 1.1.8. **"CRS"** means the common reporting standard or the Standard for Automatic Exchange of Financial Account Information;
- 1.1.9. **"CTF"** means counter-terrorist financing;
- 1.1.10. **"Digital Tokens"** means a digital representation of value that functions as (i) a medium of exchange; (ii) a unit of account; (iii) a store of value, and/or (iv) other similar digital representations of rights or assets, typically including blockchain-based assets or rights including sovereign cryptocurrency or virtual currency such as bitcoins, and Tether Tokens;
- 1.1.11. **"Digital Tokens Address"** means an alphanumeric identifier that represents a potential destination for a Digital Tokens transfer, which typically is associated with a user's Digital Tokens Wallet;
- 1.1.12. **"Digital Tokens Wallet"** means a software application (or other mechanism) that provides a means for holding, storing, and transferring Digital Tokens, including a user's Digital Tokens Address, Digital Tokens balance, and cryptographic keys;
- 1.1.13. **"Economic Sanctions"** means financial sanctions, trade embargoes, export or import controls, anti-boycott, and restrictive trade measures enacted, administered, enforced, or penalised by any applicable Laws;
- 1.1.14. **"Eligible Contract Participant"** has the meaning set out in Section 1a(18) of the United States Commodity Exchange Act and Rule 1.3 of the United States Commodity Futures Trading Commission, each as amended;
- 1.1.15. **"FATCA"** means the United States Foreign Account Tax Compliance Act, as enacted by Title V, Subtitle A of the Hiring Incentives to Restore Employment Act, P.L. 111-147 (2010), as amended;
- 1.1.16. **"FATF"** means the Financial Action Task Force;
- 1.1.17. **"FIA"** means the Financial Investigation Authority of the British Virgin Islands;
- 1.1.18. **"Fiat"** means the money or currency of any country or jurisdiction that is:
- 1.1.18.1. designated as legal tender; and,
- 1.1.18.2. circulated, customarily used, and accepted as a medium of exchange in the country or jurisdiction of issuance;
- 1.1.19. **"FinCEN"** means the Financial Crimes Enforcement Network of the U.S. Department of the Treasury;
- 1.1.20. **"Government"** means any national, federal, state, municipal, local, or foreign branch of government, including any department, agency, subdivision, bureau, commission, court, tribunal, arbitral body, or other governmental, government appointed, or quasi-governmental authority or component exercising executive, legislative, juridical, regulatory, or administrative powers, authority, or functions of or pertaining to a government instrumentality, including any parasternal company, or state-owned (majority or greater) or controlled business enterprise;
- 1.1.21. **"Government Approval"** means any authorisation, licence, permit, consent, approval, franchise, concession, lease, ruling, certification, exemption, exception, filing or waiver by or with any Government necessary to conduct the business of either Party or the execution, delivery and performance of any of the Services or any transaction entered into under these Terms;
- 1.1.22. **"Government Official"** means an officer or employee of any Government, a director, officer, or employee of any instrumentality of any Government, a candidate for public office, a political party or political party official, an officer or employee of a public international organisation, and any Person who is acting in an official capacity for any of the foregoing, even if such Person is acting in that capacity temporarily and without compensation;
- 1.1.23. **"Laws"** means all laws, statutes, orders, regulations, rules, treaties, and/or official obligations or requirements enacted, promulgated, issued, ratified, enforced, or administered by any Government that apply to you or the Site;
- 1.1.24. **"Losses"** means, collectively, any claim, application, loss, injury, delay, accident, cost, business interruption costs, or any other expenses (including attorneys' fees or the costs of any claim or suit), including any incidental, direct, indirect, general, special, punitive, exemplary, or consequential damages, loss of goodwill or business profits, work stoppage, data loss, computer failure or malfunction, or any and all other commercial losses;
- 1.1.25. **"Marks"** has the meaning set out in paragraph 10.1 of these Terms;

- 1.1.27. **"Person"** includes an individual, association, partnership, corporation, company, other body corporate, trust, estate, and any form of organisation, group, or entity (whether or not having separate legal personality);
- 1.1.28. **"Personal Information"** has the meaning set out in the [Privacy Statement](#);
- 1.1.29. **"Prohibited Jurisdiction"** means Cuba, the Democratic People's Republic of Korea (North Korea), Iran, Syria, Crimea (a region of Ukraine annexed by the Russian Federation), the self-proclaimed Donetsk People's Republic (a region of Ukraine), the self-proclaimed Luhansk People's Republic (a region of Ukraine), Kherson (a region of Ukraine) and Zaporizhzhia (a region of Ukraine);
- 1.1.30. **"Prohibited Person"** means any U.S. Person (except for Eligible Contract Participants agreed by Tether, in its sole discretion); any Canadian Person; any Singaporean Person; the Government of Venezuela; any resident of, or Government or Government Official of, or any person in any Prohibited Jurisdiction and any Sanctioned Person;
- 1.1.31. **"Prohibited Use"** has the meaning set out in paragraph 8 of these Terms;
- 1.1.32. **"Reserves"** has the meaning set out in paragraph 4.1 of these Terms;
- 1.1.33. **"Sanctioned Person"** refers to any Person or Digital Tokens Address that is: (i) specifically listed in any Sanctions List; (ii) directly or indirectly owned 50 per cent or more by any Person or group of Persons in the aggregate, or a Digital Tokens Wallet associated with such Person or Persons, referred to in any Sanctions List, or Government or Government Official of any Prohibited Jurisdiction; or (iii) subject to any Government Approval or otherwise sanctioned, restricted or penalised under applicable Economic Sanctions, AML or CTF Laws;
- 1.1.34. **"Sanctions List"** means the "Specially Designated Nationals and Blocked Persons" ("**SDN**") List and the Non-SDN List, including the "Sectoral Sanctions Identifications List", published by OFAC; the Section 311 Special Measures for Jurisdictions, Financial Institutions, or International Transactions of Primary Money Laundering Concern published by FinCEN; or under Economic Sanctions, AML, or CTF Laws of or by Governments of the United States, the Republic of El Salvador, the British Virgin Islands (including any sanctioned, restricted, or debarred party list under the Laws of the United Kingdom and applicable in the British Virgin Islands), the United Nations, or any other jurisdiction or Government, as applicable to you or to Tether or the Services, as amended, supplemented, or substituted from time to time;
- 1.1.35. **"Singaporean Person"** means:
- 1.1.35.1. a resident of Singapore;
  - 1.1.35.2. any Person established or organised in or under the Laws of Singapore;
  - 1.1.35.3. any estate of a decedent who was a resident of Singapore;
  - 1.1.35.4. any fund established or organised outside of Singapore where the Persons that principally provide trading instructions or make investment decisions for the fund do so from Singapore; or
  - 1.1.35.5. any Person established or organised outside Singapore, in which any of the foregoing, whether singularly or in the aggregate, directly or indirectly (i) holds a 50 per cent or greater equity interest by votes or value, (ii) holds a majority of seats or memberships on the board of directors of the entity, or (iii) authorises, establishes, directs, or otherwise controls the actions, policies, personnel decisions, or day-to-day operations of the Person;
- 1.1.36. **"Tax Information Exchange Laws"** means Laws relating to the exchange of information relating to taxes between Governments, including FATCA and CRS;
- 1.1.37. **"Terms"** means these terms and conditions of sale and service, as they may be changed, amended, or updated from time to time, including the following Site policies and pages: the [Risk Disclosure Statement](#); the [Anti-Spam Policy](#); the [Law Enforcement Requests Policy](#); and the [Fee Schedule](#);
- 1.1.38. **"Territory or Insular Possession of the United States"** means the Commonwealth of Puerto Rico; the U.S. Virgin Islands; Guam; the Commonwealth of the Northern Mariana Islands; and all other territories and possessions of the United States, other than the Indian lands (as that term is defined in the Indian Gaming Regulatory Act);
- 1.1.39. **"Tether Token"** means the Digital Token referencing a unit of Fiat issued and redeemed by Tether;
- 1.1.40. **"Tether Tokens Wallet"** means the Digital Tokens Wallet provided to a user by Tether as the means for purchasing and redeeming Tether Tokens in connection with the Services, subject to these Terms;
- 1.1.41. **"United States"** or **"U.S."** means the several states of the United States and the District of Columbia;
- 1.1.42. **"U.S. Account"** means any account that is held by one or more U.S. Persons or non-U.S. entities that have one or more Controlling Persons who is a U.S. Person.
- 1.1.43. **"U.S. Citizen or U.S. Resident"** includes any U.S. citizen, U.S. lawful permanent resident, individual who meets the "substantial presence" test described in section 7701(b)(3) of the U.S. Internal Revenue Code of 1986 (as amended), protected individual under section 1324b(a)(3) of the U.S. Immigration and Nationality Act, or individual who holds a passport issued by the United States Government;
- 1.1.44. **"U.S. Financial Institution"** means any U.S. Person and any of its affiliates, branches, offices, or agents incorporated, organized, or located in the United States or Territory or Insular Possession of the United States that is engaged in the business of: (i) accepting deposits, (ii) making, granting, transferring, holding, or brokering remittances, loans, or credits, or (iii) purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchases and sellers thereof, whether as principal or agent, and this term applies to affiliates, branches, offices, and agencies of any foreign financial institution that are located in the United States or Territory or Insular Possession of the United States, but not such foreign financial institution's affiliates, branches, offices, or agencies located outside the United States and Territory or Insular Possession of the United States;
- 1.1.45. **"U.S. Person"** means:
- 1.1.45.1. a U.S. Citizen or U.S. Resident;
  - 1.1.45.2. a corporation, partnership, or other entity established or organised in or under the Laws of the United States;
  - 1.1.45.3. any estate: (i) of a decedent who was a U.S. Citizen or U.S. Resident at the time of death; (ii) of which any executor or administrator is a U.S. Person (unless this executor or administrator is a professional fiduciary and shares with a non-U.S. Person investment discretion with respect to the assets of an estate that is governed by non-U.S. law); (iii) which is administered under the laws of the United States;

and (iv) with assets located in the United States;

- 1.1.45.4. any trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and (ii) one or more U.S. Persons have the authority to control all substantial decisions of the trust;
- 1.1.45.5. any Person organised or incorporated outside the United States and the Territory or Insular Possession of the United States in which any of the foregoing, whether singularly or in the aggregate, directly or indirectly (i) holds a 50 percent or greater equity interest by votes or value, (ii) holds a majority of seats or memberships on the board of directors of the entity, or (iii) authorises, establishes, directs, or otherwise controls the actions, policies, personnel decisions, or day-to-day operations of the Person; or
- 1.1.45.6. any pension plan for the employees, officers or principals of a legal entity described in paragraph 1.1.45.2, unless the pension plan is primarily for foreign employees of such entity;
- 1.1.46. **"User Insolvency Event"** means if you are subject to any of the following insolvency events: (i) you stop or suspend payment of any of your debts or are unable to, or admit your inability to, pay your debts as they fall due; (ii) you commence negotiations, or enter into any composition, compromise, assignment or arrangement, with one or more of your creditors with a view to rescheduling any of your indebtedness (because of actual or anticipated financial difficulties); (iii) a moratorium is declared in respect of any of your indebtedness; (iv) any action, proceedings, procedure or step is taken in relation to: (a) a composition, compromise, assignment or arrangement with any of your creditors; or (b) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of you or any of your assets; (v) the value of your assets is less than your liabilities (taking into account contingent and prospective liabilities); or (vi) any event occurs in relation to you that is analogous to those set out in paragraphs (i) to (v) (inclusive) above in any jurisdiction;
- 1.1.47. **"User Wallet"** means any Digital Tokens Wallet utilised by a user to transact in or hold Tether Tokens, including a Tether Tokens Wallet;
- 1.1.48. **"Virus"** means any harmful or surreptitious code with a purpose to, effect of or that could be reasonably be expected to: (i) cause any unplanned interruption of the operation of a website (such as the Site), software or computer system, (ii) unauthorised use of a website (such as the Site), software or computer system, (iii) altering, destroying, or inhibiting the use of a website (such as the Site), software or computer system; or (iv) block access to, or prevent the use or accessibility of a website (such as the Site), software or computer system. Viruses include malware, trojan horses, system monitors/keyloggers, dialers, adware, and adware cookies lockup, time bomb, key lock device program, or disabling code; and
- 1.1.49. **"you"** or **"your"** means the user.
- 1.2. **Headings:** The headings and sub-headings in these Terms are for ease of reference only and are not to be taken into account in the construction or interpretation of any provision or provisions to which they refer.
- 1.3. **Extended Meanings:** Unless otherwise specified in these Terms, words importing the singular include the plural and vice versa and words importing gender include all genders. The word "include," "includes" or "including" will be interpreted on an inclusive basis and be deemed to be followed by the words "without limitation."
- 1.4. **Governing Law:** These Terms shall be governed by and construed and enforced in accordance with the Laws of the British Virgin Islands, and shall be interpreted in all respects as a British Virgin Islands contract. Any dispute, controversy, claim or action arising from or related to your access or use of the Site or the Services or these Terms likewise shall be governed by the Laws of the British Virgin Islands, exclusive of choice-of-law principles.
2. **Right to Use the Service:** If you (a) have a Tether Tokens Wallet, (b) are not a Prohibited Person, (c) do not operate your Tether Tokens Wallet for the benefit of a Prohibited Person, and (d) consent to and comply with these Terms, Tether grants you the limited right to use the Services. The right to use the Services is a personal, restricted, non-exclusive, non-transferable, non-sublicensable, revocable, limited licence, and it is subject to the limitations and obligations in these Terms. Nothing in these Terms gives you any licence (other than as set out in this paragraph), right, title, or ownership of, in, or to the Site, any of the Services, the Copyrights or the Marks. Tether may suspend or terminate your access to the Site or any of the Services, freeze any Tether Tokens held by you, or terminate your Tether Token Wallet, as required by applicable Law or where Tether, in its sole discretion, determines it is prudent to do so or where you have violated, breached, or acted in a manner inconsistent with any provision of these Terms or Applicable Law.
3. **Restrictions on Prohibited Persons.** Every Prohibited Person is strictly prohibited from directly or indirectly holding, owning or operating a Tether Tokens Wallet in any way or otherwise transacting on or using the Services.
- 3.1. No Tether Tokens Wallet may be operated for and no order or transaction in a Tether Tokens Wallet may be for the financial or other benefit of a Prohibited Person.
- 3.2. With respect to any Person organised or incorporated outside the United States and the Territory or Insular Possession of the United States, the prohibitions in paragraphs 3 and 3.1 are governed by the terms of paragraph 1.1.45.5 and will be applied at the entity level.
- 3.3. For the avoidance of doubt, U.S. Persons (except for Eligible Contract Participants agreed by Tether, in its sole discretion) are prohibited from directly or indirectly holding, owning or operating a Tether Tokens Wallet or Tether Tokens in any way or otherwise transacting on or using any Tether Tokens, the Site or any Services. In addition, where you are not a U.S. Person, but Tether knows or has reason to know that you make a deposit, withdrawal, or transfer of Fiat or Digital Tokens to, from, or through any U.S. Financial Institution to facilitate the provision of the Services, then you may be prohibited from using the Services, at the sole discretion of Tether.
4. **About Tether Tokens:**
- 4.1. **Issuances and Redemptions.** Issuances and redemptions of Tether Tokens may be completed with Tether pursuant to these Terms. Tether Tokens may also be used, kept, or exchanged online wherever parties are willing to accept Tether Tokens. Tether may from time to time make Tether Tokens available for purchase subject to minimum purchase and other requirements. Where Tether makes Tether Tokens available to purchase through the Site, and subject to these Terms and such additional requirements, the purchase price payable by a user for one Tether Token will be one unit of the underlying Fiat currency (for example, 1 USD for 1 USD $\overline{\text{T}}$ ), plus fees, where applicable. Each Tether Token in circulation is 100% backed by an amount of assets ("**Reserves**") equal to the stated value of the Tether Token. Tether Tokens are denominated in a specific Fiat currency. For example, if you purchase 100 USD $\overline{\text{T}}$ , Reserves valued at US\$100.00 back those Tether Tokens. The Reserves are comprised of cash, cash equivalents and other assets and may include loan receivables and other assets from Affiliates. Tether Tokens are backed by Tether's Reserves, including Fiat, but Tether Tokens are not Fiat themselves. Issuances and redemptions of Tether Tokens are administered by Tether. Tether may from time to time make redemptions of Tether Tokens through the Site subject to minimum redemption amounts and other requirements. Subject to these Terms and such additional requirements, the redemption price payable by Tether for one Tether Token will be one unit of the underlying Fiat currency (for example, 1 USD for 1 USD $\overline{\text{T}}$ ) less fees, where applicable. Tether reserves the right to delay the redemption or withdrawal of Tether Tokens if such delay is necessitated by the illiquidity or unavailability or loss of any Reserves. Tether Tokens may be issued

- of multiple blockchains or protocols. In order to cause Tether Tokens to be issued or redeemed by Tether, you must be a verified customer of Tether. The right to purchase Tether Tokens or have Tether Tokens redeemed is a contractual right personal to you. Tether Tokens are not legal tender and are not backed by any Government or protected through any insurance provided by Tether or any of its Affiliates. Tether Tokens are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections, or to analogous protections in other jurisdictions. As previously announced, Tether ceased to redeem: (a) USD $\overline{\text{T}}$  pursuant to these Terms on the Omni, Bitcoin Cash SLP, Kusama, EOS, and Algorand blockchains effective as of September 7, 2025; and (b) EUR $\overline{\text{T}}$  pursuant to these Terms effective as of November 27, 2025.
- 4.2. **Forks.** Tether Tokens are or may be issued on various decentralised and open source blockchains and protocols. Blockchains and protocols can sometimes experience events called "forks" where an alternative version of a blockchain or protocol is created. Where forks occur, it is possible that multiple versions of a Digital Token available on such blockchain or protocol could be created, for example, one on each fork. Due to the nature of Tether Tokens, if a fork creates two or more Digital Tokens which purport to be a Tether Token, it is only possible for one of those Digital Tokens to be a Tether Token. Where a blockchain or protocol on which Tether Tokens are issued is forked, Tether may elect to suspend the Services temporarily or for an extended period of time on little or no notice. As a result, in the event of a fork only the Digital Tokens on the particular blockchain or protocol that Tether or its Affiliate announces on the Site as being supported by Tether or such Affiliate are Tether Tokens. Any other Digital Tokens resulting from the fork are not Tether Tokens.
- 4.3. **Support for Blockchains and Protocols.** Tether is under no obligation to support, or to maintain support for, any particular blockchain or protocol, including any particular blockchain or protocol or any Digital Tokens, including as a result of a fork of a blockchain, the identification of a security issue, community support or otherwise. Tether may determine, in its sole discretion, whether to support a particular fork of a blockchain or protocol or whether to cease support for all versions of a particular blockchain or protocol (whether as a result of a fork, the identification of a security issue, community support or otherwise). Where Tether determines to cease support for a particular blockchain or protocol (whether as a result of a fork, the identification of a security issue, community support or otherwise), you must take any and all actions reasonably necessary to effectuate the migration of your Tether Token to a supported blockchain or protocol identified by Tether. Tether assumes no liability or responsibility whatsoever arising out of or relating to your failure to effectuate such migration of your Tether Token to another blockchain or protocol identified by Tether.
- 4.4. **No Liability for Withdrawal of Support.** Tether assumes no liability or responsibility whatsoever for any Losses or other issues that might arise from Tether electing to support or not support a particular blockchain or protocol, any forked version of any particular blockchain or protocol or any Digital Tokens resulting from a fork of a blockchain or protocol.
- 4.5. **Risk of Wrapped or Bridged Tokens:** It is also possible that a third-party could create a Digital Token which claims to be an alternative version of Tether Tokens, such as by "wrapping" or "bridging" Tether Tokens. These Digital Tokens are not Tether Tokens. They are not sold or issued through the Site or supported by Tether, they cannot be redeemed with Tether or otherwise used with the Site and Tether assumes no liability or responsibility whatsoever for any Losses or other issues that might arise from use of such Digital Tokens.
- 4.6. **Incurrence of Liability and Passage of Title:** The Parties hereby agree that (i) Tether has obtained authorisation as a Stablecoin Issuer and Digital Assets Service Provider under the El Salvador Regulations for Issuance of Stablecoin Public Offerings and is subject to the regulatory requirements specified by the National Commission of Digital Assets of El Salvador; (ii) each Party incurs liability irrevocably for: (x) the sale and purchase of Tether Tokens through the Site upon the satisfaction of the conditions to purchase through the Site, and, (y) the redemption of Tether Tokens through the Site upon the satisfaction of the conditions to redeem through the Site in each case, such transactions deemed to be located within the Republic of El Salvador; and (iii) title in the Tether Tokens passes from Tether to a verified customer of Tether when Tether initiates transmission of the Tether Tokens to a User Wallet designated by such customer, such initiation deemed to be from the Republic of El Salvador.
5. **Transfer of Tether Tokens; Mechanics:** Your Digital Tokens Address and associated User Wallet are controlled by your private key and your Digital Tokens Address and associated User Wallet, including the ability to access Tether Tokens through the Site, may be stolen or lost and otherwise unrecoverable if the private key is compromised or lost. You accept all consequences of sending Tether Tokens off of, or otherwise interacting with, the Site. Tether Token transactions are not reversible. Once you send Tether Tokens to an address, whether intentionally or by a fraudulent or accidental transaction, you accept the risk that you may lose access to, and any claim on, those Tether Tokens indefinitely or permanently. Further, Tether does not guarantee the security or functionality of third-party software or technology, which may fail or malfunction.
6. **Suspension of Services.** You acknowledge that Tether may delay or suspend your access to the Site or the Services (including in respect of purchases and redemptions), and through that your ability to interact with the Site or the Services at its sole discretion, including in the event that Tether determines that you have engaged in a Prohibited Use; when Tether suspects that there has been a violation of these Terms; if Tether believes that providing any Service to you (including any purchase or redemption) would be contrary to Law; when Tether is directed to do so by any Government; if your Tether Tokens Wallet or other User Wallet is subject to pending litigation, investigation, or Government proceedings; when Tether believes that someone is attempting to gain unauthorised access to your Tether Tokens Wallet or other account or wallet; or circumstances in which Tether believes that providing any Service to you (including any purchase or redemption) would otherwise expose Tether or any Associate to legal liability or unacceptable risk.
7. **Mandatory Resolution of Disputes Through Arbitration:**
- 7.1. **Covered Claims.** Except for excluded claims described below in paragraph 7.2, Tether and you each agree that any dispute, claim or controversy arising out of or relating to (a) these Terms or the existence, breach, termination, enforcement, interpretation or validity thereof, or (b) your Tether Tokens Wallet or the operations and services of the Site or any Services, or (c) your access to or use of the Site or any Services at any time, will be subject to and finally resolved by confidential, binding arbitration on an individual basis and not in a class, representative or consolidated action or proceeding. If you are subject to the Laws of the United States of America, the interpretation and enforceability of this arbitration provision will be governed by the U.S. Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. Arbitration will be conducted through the use of videoconferencing technology (unless both arbitration parties agree that an in-person hearing is appropriate given the nature of the dispute) before a single arbitrator in accordance with the International Institute for Conflict Prevention and Resolution International Non-Administered Arbitration Rules, as amended from time to time (the "CPR Rules"). The sole arbitrator selected by the arbitration parties must be a licenced attorney in England and Wales or the British Virgin Islands with at least fifteen (15) years of experience in commercial disputes. If the arbitration parties do not jointly appoint an arbitrator within thirty (30) days of the commencement of the arbitration, any vacancies will be filled by an arbitrator meeting the above qualifications selected by the International Institute for Conflict Prevention and Resolution. Judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. If the arbitral parties do not promptly agree on the seat of arbitration if an in-person hearing is selected, the seat will be London, United Kingdom. The language of the arbitral proceedings will be English. No discovery shall be conducted except by agreement of the parties or after approval by the arbitrator, who shall attempt to minimise the burden of discovery. The arbitrator may award any relief that a court of competent jurisdiction could award, including attorneys' fees when authorised by Laws, and the arbitral decision may be enforced in court. For claims less than U.S.\$15,000, Tether will reimburse you for all initiating filing fees. Should you be deemed the losing party, the filing fees reimbursed by Tether will be added to the final arbitrator's costs and fees award. The prevailing party, will be entitled to its costs of the arbitration (including the arbitrator's fees) and its reasonable attorney's fees and costs.
- 7.2. **Excluded Claims.** The following claims and causes of action will be excluded from arbitration as described in paragraph 7.1: causes of action or claims in which either party seeks injunctive or other equitable relief for the alleged unlawful use of its intellectual property, including without limitation copyrights, trademarks, trade names, trade secrets, or patents or its confidential information or private data. Nothing in this paragraph 7

will prevent Tether from seeking any other form of injunctive relief in any court of competent jurisdiction, whether or not interim relief has also been sought from the arbitrator.

- 7.3. **Delegation.** The arbitrator will have the power to hear and determine challenges to its jurisdiction, including any objections with respect to the formation, existence, scope, enforceability or validity of the arbitration agreement. This authority extends to jurisdictional challenges with respect to both the subject matter of the dispute and the parties to the arbitration. Further, the arbitrator will have the power to determine the existence, validity, or scope of the contract of which an arbitration clause forms a part. For the purposes of challenges to the jurisdiction of the arbitrator, each clause within this paragraph 7 will be considered as separable from any contract of which it forms a part. Any challenges to the jurisdiction of the arbitrator, except challenges based on the award itself, will be made not later than the notice of defence or, with respect to a counterclaim, the reply to the counterclaim; provided, however, that if a claim or counterclaim is later added or amended such a challenge may be made not later than the response to such claim or counterclaim as provided under the CPR Rules.
- 7.4. **Class Action Waiver.** You and Tether expressly intend and agree that: (a) class action and representative action procedures are hereby waived and will not be asserted, nor will they apply, in any arbitration pursuant to these Terms; (b) neither you nor Tether will assert class action or representative action claims against the other in arbitration or otherwise; (c) each of you and Tether will only submit their own, individual claims in arbitration and will not seek to represent the interests of any other person, or consolidate claims with any other person; (d) nothing in these Terms will be interpreted as your or Tether's intent to arbitrate claims on a class or representative basis; and (e) any relief awarded to any one user of the Site or the Services cannot and may not affect any other user of the Site or the Services. No adjudicator may consolidate or join more than one Person's or party's claims and may not otherwise preside over any form of a consolidated, representative, or class proceeding.
- 7.5. **Confidentiality.** The Parties will maintain the confidential nature of the arbitration proceeding and any award, including the hearing, except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by Law or judicial decision.
- 7.6. **JURY TRIAL WAIVER: TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING OF ANY KIND WHATSOEVER ARISING OUT OF OR RELATING TO THESE TERMS OR ANY BREACH THEREOF, ANY USE OR ATTEMPTED USE OF THE SITE OR THE SERVICES BY YOU, AND/OR ANY OTHER MATTER INVOLVING THE PARTIES.**
8. **Prohibited Uses:** You may not use the Services to engage in the categories of activity set forth below ("**Prohibited Uses**"). The specific activities set forth below are representative, but not exhaustive, of Prohibited Uses. If you are uncertain as to whether your use of the Services involves a Prohibited Uses or have any other questions about how these requirements apply to you, then please contact us by visiting <https://cs.tether.to/>. By using the Services, you confirm that you will not engage in any of the following Prohibited Uses:
- 8.1. use the Site or any Services in order to disguise the origin, ownership, control or nature of illicit proceeds of, or to further, any breach of applicable Laws, or to transact or deal in any contraband;
  - 8.2. use the Site or any Services if any applicable Laws, including AML Laws, CTF Laws, Anti-Corruption Laws, and Economic Sanctions Laws, prohibit, penalise, sanction, or expose Tether or any of its Associates to liability for any Services furnished or offered to you or your Tether Tokens Wallet(s) under these Terms;
  - 8.3. use the Site or any of the Services, or any financial services of any U.S. Financial Institution in connection with the Site or any of the Services, whether or not an Affiliate of Tether or any Associate, to facilitate, approve, evade, avoid, violate, attempt to violate, aid or abet the violation of, or circumvent any applicable Laws, including AML Laws, CTF Laws, Anti-Corruption Laws, and Economic Sanctions Laws;
  - 8.4. use the Site or any Services to evade taxes under the Laws of any applicable jurisdiction;
  - 8.5. purchase, redeem, or transfer Tether Tokens or otherwise transact on the Site, or use any Services with, anything other than Fiat, funds, a Digital Tokens Address, digital wallet, keys, property, or Digital Tokens that have been legally obtained by you and that belong to you;
  - 8.6. use the Site or any Services to interfere with or subvert the rights or obligations of Tether or any Associate, any other user of the Site or any other Person;
  - 8.7. present misleading or inaccurate information to the Site or to Tether or any Associate or take advantage of any technical glitch, malfunction, failure, delay, default, or security breach;
  - 8.8. use the Site or any Services to engage in conduct that is detrimental to Tether, any Associate, any other user of the Site or the Services or any other Person;
  - 8.9. falsify any account, Site registration or administration details provided to Tether or any Associate, impersonate another Person or misrepresent your affiliation with a Person;
  - 8.10. falsify or materially omit any information or provide misleading or inaccurate information requested by Tether or any Associate, including at registration or during the course of administering any Services to you;
  - 8.11. cause injury to, or attempt to harm, Tether, any Associate or any Person through your access of the Site or any Services;
  - 8.12. promote discrimination based on race, religion, nationality, disability, sexual orientation, gender or gender identity, or age;
  - 8.13. have more than one account and more than one Tether Tokens Wallet on the Site, or use any Tether Tokens Wallet on a one-time, 'throwaway' basis; any such additional Tether Tokens Wallets or one time 'throwaway' Tether Tokens Wallet may be terminated or suspended at the absolute discretion of Tether;
  - 8.14. where you are subject to prohibitions or restrictions as set forth in paragraph 2, access the Site or use any Services utilising any virtual private network, proxy service, or any other third party service, network, or product with the effect of disguising your IP address or location, or access the Site or use any Services from, or being subject to, the jurisdiction of any Prohibited Jurisdiction or Government or Government Official thereof;
  - 8.15. utilise a Tether Tokens Wallet, any Services or the Site for the financial or other benefit of a Prohibited Person;
  - 8.16. utilise a User Wallet for the financial or other benefit of any Person in any jurisdiction in which any of the Services or the Site are unlawful; or
  - 8.17. violate, promote, or cause a violation of, or conspire or attempt to violate these Terms or applicable Laws.

If Tether determines or suspects that you have engaged in any Prohibited Use, Tether may address such Prohibited Use through an appropriate sanction, in its sole and absolute discretion. Such sanction may include making a report to any Government, law enforcement, or other authorities, without providing any notice to you about any such report; freezing or confiscation of any Fiat, funds, property, proceeds, Tether Tokens or any

Digital Tokens, Fiat, Tether Tokens Wallet or other User Wallet, backing any Digital Tokens, Address, Tether Tokens and/or suspending or terminating your access to the Site and any Services or Fiat, funds, property, proceeds, Tether Tokens or any Digital Tokens in any Tether Tokens Wallet.

Tether may, at its sole and absolute discretion, seize and deliver your property to any applicable Government, law enforcement, or other authorities where circumstances warrant or in accordance with Laws. In addition, should your actions or inaction result in Loss being suffered by Tether or any Associate, you shall pay an amount to Tether and each Associate so as to render Tether and any Associate whole, including the amount of taxes or penalties that might be imposed on Tether or any Associate.

9. **Due Diligence Generally, Anti-Money Laundering and Counter-Terrorist Financing and Sharing of Information:** Tether is committed to providing safe, compliant, and reputable Services and to identify, detect, prevent, and report on money laundering, terrorist financing, and other improper activities under applicable AML Laws, CTF Laws, Anti-Corruption Laws, and Economic Sanctions Laws. Accordingly, Tether insists on a comprehensive and thorough user due diligence process and ongoing analysis and reporting. By agreeing to these Terms and utilising, or seeking to utilise, the Services, you shall affirmatively certify that you are not a Prohibited Person, that you are not utilising any Tether Tokens Wallet for the benefit of a Prohibited Person, and must provide promptly all information requested and necessary to satisfy due diligence requirements and obligations pursuant to applicable Laws and the compliance policies or procedures of Tether or any of its Affiliates. Additionally, Tether or any of its Affiliates may assess whether you are a U.S. Person, whether your account would be regarded as a U.S. Account or whether you have made, will make, or intend to make, a deposit, withdrawal or transfer to, from, or through any Prohibited Jurisdiction or any U.S. Financial Institution, and if applicable, you must provide all information requested and necessary to satisfy due diligence requirements and obligations pursuant to applicable Laws and the compliance policies or procedures of Tether. You agree to provide promptly any documentation, information, or records requested by Tether at any time, including a self-certification permitting the determination of tax residence and status under Tax Information Exchange Laws. Such information may include self-certifications as to Controlling Persons and beneficial ownership of one or more legal entities. Tether expects to retain certain information, documentation, and records on file pursuant to applicable Laws and its contractual relationships, and Tether hereby expressly reserves the right to keep such information, documentation, and records. Additionally, Tether monitors for and assesses suspicious or sanctionable transactions under applicable AML, CTF, Anti-Corruption, and Economic Sanctions Laws, as well as undertakes mandatory reporting to FinCEN, OFAC, FIA, and international regulators. These undertakings shall apply even when you suspend or terminate your relationship with Tether or abandon your application to have a Tether Token Wallet or transfer all Tether Tokens from your User Wallet. Our policies apply to any and all Digital Tokens, Fiat, and other funds or property being processed on or through the Site or by any of you, your Affiliates, or Tether or any Associate.

Without limitation to the remedies available to Tether pursuant to paragraph 16 (*No Waiver; Available Remedies*), Tether reserves the right to bar transactions from or to, to undertake enhanced due diligence, or to suspend or terminate access to the Site or the administration of Services, or the creation or administration of any Tether Tokens Wallet for or with, any user for any reason (or for no reason) at any time, including the provisions of paragraphs 8 and 11, subject to any limitations imposed by applicable Laws. Without limiting the generality of the foregoing, this includes any transfer, transaction, business, or dealing with a: (i) Sanctioned Person; (ii) Prohibited Jurisdiction or a citizen or resident of, Government or Government Official of, or Person in or subject to jurisdiction of, any Prohibited Jurisdiction; (iii) U.S. Person or any Person acting through any U.S. Financial Institution (except for Eligible Contract Participants agreed by Tether, in its sole discretion); (iv) Canadian Person; (v) Singaporean Person; (vi) Person from or in any jurisdiction that does not meet international AML-CTF standards (including any jurisdiction identified by the FATF as high-risk, non-cooperative, or strategically deficient jurisdictions, or jurisdictions under increased monitoring.); (vii) Person that is or formerly was a Government Official or Politically Exposed Person within the meaning of the FATF's 40 Recommendations; (viii) Person that presents a risk of any exposure to penalties, sanctions, or other liabilities under AML Laws, CTF Laws, Anti-Corruption Laws, Economic Sanctions Laws, tax Laws or any other Laws, in each case, that may apply to you or to Tether or any Associate; (ix) Person that Tether determines is acting in the United States or Territory or Insular Possession of the United States in violation of, causing any other Person, including Tether or any Associate, to violate, attempting or conspiring to violate, or evading or circumventing these Terms or applicable Laws; and (x) Person that fails to meet any user due diligence standards, requests, or requirements of Tether, or otherwise appears to be of high risk, including any of the foregoing factors. In lieu of refusing registration, access or ongoing administration of your Tether Tokens Wallet or the Services, Tether may, in its sole discretion, perform enhanced due diligence procedures. At all times, you may be subject to enhanced due diligence procedures in your use of the Site and the Services. If you decline to provide requested due diligence information or otherwise do not reply timely or substantively with the documentation or data requested, Tether has the absolute discretion to immediately suspend or terminate any of the Services to you and your use of the Site.

10. **Intellectual Property:**

- 10.1. The trademarks, service marks, and trade names, including both word marks and design marks (the "**Mark(s)**") are used by Tether under licence. You agree not to appropriate, copy, display, reverse engineer, or use the Marks or other content without express, prior, written permission from Tether or the owner of the Marks, including as a domain name, as social media profile/handle, on a website, in an advertisement or other marketing, as or in connection with a phone number, as or in connection with an email address, in internet search results, in meta data or code, or in any other manner.
- 10.2. Unless otherwise indicated, all materials on the Site are used by Tether under licence ("**Copyrights**"). You agree not to appropriate, copy, display, or use the Copyrights or other content without express, prior, written permission from Tether or the applicable owner;
- 10.3. You may link to the Site's homepage or other pages, provided you do so in a way that is fair and legal and does not damage Tether's reputation or take advantage of it, but you must not establish a link in such a way as to suggest any form of association, approval, or endorsement on Tether's part without prior, express, written consent;
- 10.4. The Site may provide certain social media features that enable you to link, send communications, or display certain content from the Site. You may use these features solely as they are provided by Tether. You may not establish a link from any website that is not owned by you, cause the Site or portions of it to be displayed on or by any other site (for example, framing, deep linking, or in-line linking), or otherwise take any action with respect to the materials on the Site that is inconsistent with any other provision of these Terms;
- 10.5. You must not register, record, or otherwise control any domains, social media handles/profiles, Marks or other trademark or service mark registrations, trade names or any other intellectual property rights featuring intellectual property owned by Tether or any Associate or its or their licensor(s) directly or through a third party ("**Prohibited Assets**"). If Tether becomes aware that you own or control any Prohibited Assets, the Prohibited Asset(s) will be automatically transferred and assigned to Tether, its nominated Associate or its licensor(s) under these Terms. You agree to execute all instruments and documents and do such additional acts as Tether, its Associate(s) or its licensor(s) may deem necessary or desirable to record and perfect the assignment of rights under this paragraph 10.5. If Tether, its Associate(s) or its licensor(s) are unable for any reason to secure your timely signature to any document it is entitled to under this paragraph 10.5 within fourteen days, you hereby irrevocably designate and appoint Tether, its Associates and its licensor(s) and their duly authorised directors, officers and agents as your attorney-in-fact, with full power of substitution to act for and on your behalf and instead of you to execute and file any such document(s) and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by you; and
- 10.6. The Site and Services are protected by copyright, trademark, trade secret and other intellectual property or proprietary rights Laws in various jurisdictions. All rights not expressly granted to you in these Terms are reserved by Tether or its licensor(s). Except as expressly authorised by Tether, you will not (i) reuse, sublease, rent, sell, resell, transfer, assign, distribute, or otherwise commercially exploit or make available to any

Person all or any part of the Site or Services in any way; (ii) copy, modify, republish, distribute, or make derivative works based upon all or any part of the Site or Services; (iii) "frame" or "mirror" all or any part of the Site or Services on any other server or wireless or internet-based device; or (iv) reverse engineer or access all or any part of the Site or its Services in order to (a) build a competitive product or service, (b) build a product or service using similar ideas, features, functions, or graphics of all or any part of the Site or Services, or (c) copy any ideas, features, functions, or graphics of all or any part of the Site or Services.

11. **Your Representations and Warranties:** You represent and warrant to Tether on the date of your acceptance or deemed acceptance of these Terms and each day on which you utilise or access the Services, in each case with reference to the facts and circumstances existing at such date, as follows:
- 11.1. that, if you are an individual user, you are 18 years of age or older and that you have the capacity to contract under applicable Laws;
  - 11.2. that, if you are registering to use or using the Site on behalf of a legal entity, (i) such legal entity is duly organised and validly existing under the applicable Laws of the jurisdiction of its organisation; and (ii) you, and any individuals utilizing the Services on behalf of the legal entity are duly authorised by such legal entity to act on its behalf;
  - 11.3. that you understand the risks associated with using the Services, that you are not prohibited or restricted from accessing the Site or using the Services by paragraph 2 of these Terms, and that you are not otherwise prohibited by applicable Laws from using, or acting for the benefit of another Person that is prohibited or restricted from using, the Site;
  - 11.4. that you have had the opportunity to seek legal, accounting, taxation and other professional advice regarding these Terms and the Services;
  - 11.5. that you will not use the Site or any Services in order to conceal or disguise the origin, ownership, control, or nature of proceeds of crime or terrorist financing or corruption related to any Person or Government Official under any applicable Laws, or property subject to Economic Sanctions, frozen assets, or to further, any breach of applicable Laws, including AML Laws or CTF Laws, or to deal in any unlawful Digital Tokens, Fiat, property, funds, or proceeds;
  - 11.6. that you will not transact on the Site or use any Services with anything other than Fiat, funds, or Digital Tokens that have been legally obtained by you and that belong to you, and that are free and clear of all liens, claims, and encumbrances;
  - 11.7. that you are currently in compliance with, and must, at your own cost and expense, comply with all Laws that relate to or affect the Services conducted under these Terms, including AML Laws, CTF Laws, Anti-Corruption Laws, Economic Sanctions Laws, Tax Information Exchange Laws or other tax Laws;
  - 11.8. that you consent to any and all tax and information reporting under AML Laws, CTF Laws, Anti-Corruption Laws, Economic Sanctions Laws, Tax Information Exchange Laws or other tax Laws as Tether may reasonably determine;
  - 11.9. that neither you nor any of your Affiliates shall use any Digital Tokens, Fiat, property, proceeds or funds subject to the Services directly or indirectly (i) on behalf of or for the benefit of a Prohibited Person or any Person subject to the jurisdiction of a Prohibited Jurisdiction, except where authorised under any Government Approval or not restricted by applicable Laws; (ii) in violation of or as prohibited, restricted, or penalised under applicable Economic Sanctions Laws; or (iii) in any way that would violate, be inconsistent with, penalised under, or cause the omission of filing of any report required under applicable AML Laws, CTF Laws, or Economic Sanctions Laws;
  - 11.10. that you have not (i) violated; (ii) been fined, debarred, sanctioned, the subject of Economic Sanctions-related restrictions, or otherwise penalised under; (iii) received any oral or written notice from any Government concerning actual or possible violation by you under; or (iv) received any other report that you are the subject or target of sanctions, restrictions, penalties, or enforcement action or investigation under, any applicable Laws, including AML Laws, CTF Laws, Anti-Corruption Laws, or Economic Sanctions Laws;
  - 11.11. that neither you nor any of your Affiliates is: (i) itself or owned (beneficially or of record) or controlled by a Sanctioned Person; (ii) involved in any transaction, transfer, or conduct, whether or not by using or receiving the Services or the Site, that is likely to result in you or your Affiliates or your or your Affiliate's shareholders, directors, officers, employees, agents, or partners becoming a Sanctioned Person; (iii) residing or domiciled in, or transferring Digital Tokens, Fiat, funds, or property to, from, or through any User Wallet, Digital Tokens Address or engaging in any transaction on the Site from a Prohibited Jurisdiction; (iv) a Government or Government Official of a Prohibited Jurisdiction or (v) otherwise a Prohibited Person;
  - 11.12. that neither you nor any of your Affiliates or your or your Affiliate's shareholders, directors, officers, employees, agents, or partners has directly or indirectly offered, promised, given, or authorised any payment, or offered, promised, given, or authorised the giving of anything else of value, including any Digital Tokens or Fiat, to a Government Official or individual employed by another entity in the private sector in violation of any applicable Anti-Corruption Laws;
  - 11.13. that you will not falsify any Site or Services registration or administration details provided to Tether;
  - 11.14. that you will not falsify or materially omit any information or provide misleading or inaccurate information requested by Tether in the course of, directly or indirectly relating to, or arising from your activities on the Site or use of any Services, including at registration or during administration or other due diligence processes, and that if any information provided to Tether becomes incorrect or outdated, including information relating to your ownership, you will promptly provide corrected information to Tether;
  - 11.15. that you shall employ reasonable anti-Virus, anti-malware and other software and techniques to protect you and your Tether Tokens Wallet from being the victim of a hack or of other malicious actions, so as to protect the integrity of your Tether Tokens Wallet and to keep such Tether Tokens Wallet and the access to the Site from your account out of the reach of other Persons;
  - 11.16. that you shall not introduce or transmit any Virus into the Site or Tether and its Affiliates' computer systems;
  - 11.17. that you acknowledge and agree that Fiat, Digital Tokens or other property reflected in your Tether Tokens Wallet are not segregated assets held in your name or for your benefit but reflected only in the books and records of Tether;
  - 11.18. that you acknowledge and agree that any instructions received or undertaken through the Site with your login credentials or from your authorised e-mail address on file with Tether are deemed to be valid, binding, and conclusive regardless of whether there is any error resulting from an instruction made by you or on your behalf, any error resulting, directly or indirectly, from fraud or the duplication of any instruction made by you or on your behalf or the malfunction of any device or compromise of credentials used by you to deliver instructions and that Tether may act upon those instructions without any liability or responsibility attaching to it;
  - 11.19. that you will fairly and promptly report all income associated with your activity on the Site pursuant to applicable Laws and pay any and all taxes thereon;
  - 11.20. that you will determine whether taxes apply to any transactions you initiate or receive and, if so, to report and/or remit the correct tax to the appropriate tax authority;

- 11.21. that you are not subject to a User Insolvency Event, and have no reason to believe that you will be subject to a User Insolvency Event in the following six (6) months; and
- 11.22. that you will accurately and promptly inform Tether if you know or have reason to know whether any of the foregoing representations or warranties no longer is correct or becomes incorrect.
12. **No Representations and Warranties by Tether:** Tether makes no representations, warranties, covenants or guarantees to you of any kind and, to the extent permitted by applicable Laws, Tether expressly disclaims all representations, warranties, covenants or guarantees, express, implied or statutory, with respect to the Site and the Services. The Site and the Services are offered strictly on an as-is, where-is basis and, without limiting the generality of the foregoing, are offered without any representation as to merchantability or fitness for any particular purpose. Tether does not guarantee the security or functionality any third-party software or technology. Tether may also provide access to features or services that are identified as "beta" or pre-release. Without limiting the preceding sentences in this paragraph 12, you understand that such services are still in development, may have bugs or errors, may be incomplete, may materially change prior to a full commercial launch, or may never be released commercially. You acknowledge that Tether is relying upon your representations, warranties, acknowledgements, and agreements as a condition to providing the Services, and without your representations, warranties, acknowledgements, and agreements, Tether would not provide you with any Services or recognise you as the holder of Tether Tokens.
13. **Site Content.** Tether strives to provide accurate and reliable information on its Site. However, such information may not always be complete, correct or up-to-date. Without limitation, any relevant information document, whitepaper, reserves report, or similar documentation (an "**Information Document**") required to be published by Tether pursuant to applicable Laws only speaks as at the date of such Information Document. Expectations, projections and other forward-looking statements are not guarantees of future performance and actual results and future events could differ materially. Forward-looking statements are subject to risks including those described in the [Risk Disclosure Statement](#) and unknown risks and uncertainties. Tether undertakes no obligation to update or revise publicly any statements on the Site or any Information Document, except where required by applicable Law. The Site and the Information Documents do not form part of, and are not incorporated by reference into, these Terms. In the event of any inconsistency between the Site or the Information Documents and these Terms, these Terms shall prevail.
14. **No Advice:** Tether does not provide any investment, portfolio management, legal, accounting, tax or other advice, or advice on trading techniques, models, algorithms, or any other schemes. All information provided in connection with your access and use of the Services is for informational purposes only and should not be construed as professional advice. You should not take, or refrain from taking any action based on any information contained on the Site or any other information that we make available at any time. Before you make any financial, legal, or other decisions involving the Services, you should seek independent professional advice from an individual who is licensed and qualified in the area for which such advice would be appropriate. These Terms are not intended to, and do not, create or impose any fiduciary duties on us. You further agree that the only duties and obligations that we owe you are those set out expressly in these Terms.
15. **Limitation of Liability and Release: IMPORTANT:** To the maximum extent permitted by applicable Law, you irrevocably agree and acknowledge that neither Tether nor any Associate assumes any liability or responsibility for and neither Tether nor any Associate shall have any liability or responsibility for any Losses directly or indirectly arising out of or related to:
- 15.1. any breach by you of these Terms;
  - 15.2. the Site, and your use of it, except as explicitly provided for in these Terms;
  - 15.3. the Services, and your use of any of them, except as explicitly provided for in these Terms;
  - 15.4. any failure by you or any Affiliate to comply with applicable Laws;
  - 15.5. any information or materials available through the Site, including any Information Document, whether originating from Tether or any Associate or any other Person;
  - 15.6. the real or perceived value of any Tether Tokens or other Digital Tokens traded or utilised on the Site, or the price of any Tether Tokens or other Digital Token displayed on the Site at any time;
  - 15.7. any inaccurate, misleading, or incomplete statement by Tether or any Associate or on the Site regarding your Tether Tokens Wallet or any other User Wallet, whether caused by Tether's negligence or otherwise;
  - 15.8. any failure, delay, malfunction, interruption, or decision (including any decision by Tether or any Associate to vary or interfere with your rights) by Tether or any Associate in operating the Site or providing any Service;
  - 15.9. any stolen, lost, or unauthorised use of your Tether Tokens Wallet information, any breach of security or data breach related to your User Wallet information, or any criminal or other third party act affecting Tether or any Associate;
  - 15.10. Tether electing to support or not support a particular blockchain or protocol, any forked version of any particular blockchain or protocol or any Digital Tokens resulting from a fork of a blockchain or protocol;
  - 15.11. your failure to effectuate the migration of your Tether Token to another blockchain or protocol identified by Tether;
  - 15.12. any offer, representation, suggestion, statement, or claim made about Tether, the Site, or any Service by Tether or any Associate;
  - 15.13. any delay in transferring in or out, or loss of value of Tether Tokens resulting from failure or insolvency of any third party, or from the theft of such assets, or from freezes, seizures or other legal process asserted by a Government;
  - 15.14. another Person using your Digital Tokens Address or your account on the Site, with or without your knowledge;
  - 15.15. any claim that any Tether Tokens to which you claim legal or beneficial ownership are legally or beneficially owned by any Person other than you;
  - 15.16. any third-party transactions, products or services, whether or not using the Site or any of the Services; and
  - 15.17. any loss of value of Tether Tokens or loss of Tether Tokens due to the failure or malfunction of third-party software or technology.

**You hereby agree to release Tether and each Associate from liability for any and all such Losses, and you shall indemnify and save and hold Tether and each Associate harmless from and against all such Losses. To the maximum extent permitted by applicable Law, the foregoing limitations of liability, releases and indemnities shall apply whether the alleged liability or Losses are based on contract, negligence, tort, unjust enrichment, strict liability, violation of Law or regulation, or any other basis, even if Tether or the Associates have been advised of or should have known of the possibility of such Losses and damages, and without regard to the success or effectiveness of any other remedies.**

**THERE IS NO GUARANTEE AGAINST LOSSES FROM USING THE SITE, THE SERVICES, YOUR TETHER TOKENS OR A USER WALLET.**

16. **No Waiver; Available Remedies:** Any failure by Tether or any Associate to exercise any of its rights, powers, or remedies under these Terms, or any delay by Tether or any Associate in doing so, does not constitute a waiver of any such right, power, or remedy. The single or partial exercise of any right

power, or remedy by Tether or any Associate does not prevent any of them from exercising any other rights, powers, or remedies. The remedies of Tether and each Associate are cumulative with and not exclusive of any other remedy conferred by the provisions of these Terms, or by Law or equity. You agree that the remedies to which Tether and each Associate is entitled include: (i) injunctions to prevent breaches of these Terms and to enforce specifically the terms and provisions hereof, and you waive the requirement of any posting of a bond in connection with such remedies; (ii) the right to recover the amount of any Losses by set off against any amounts that Tether would otherwise be obligated to pay you; and (iii) the right to either freeze your Tether Tokens or seize and recover against any of your Tether Tokens, other Digital Tokens, Fiat or other funds, or your interests therein, that are held by Tether or any Associates.

17. **Force Majeure:** Tether is not responsible for damages caused by delay or failure to perform undertakings under these Terms when the delay or failure is due to fires; strikes; floods; bank failures; Digital Token market collapse or fluctuations; power outages or failures; acts of God or the state's enemies; acts of any Government or Government Official; any and all market movements, shifts, or volatility; computer, server, or Internet malfunctions; internet disruptions, viruses, and mechanical power, or communications failures; security breaches or cyberattacks; criminal acts; delays or defaults caused by common carriers; acts or omissions of other Persons; or, any other delays, defaults, failures or interruptions that cannot reasonably be foreseen or provided against or that are otherwise outside Tether's control. In the event of force majeure, Tether is excused from any and all performance obligations under these Terms.
18. **Assignment; Third Party Rights:** These Terms, the Incorporated Materials and any of the rights, duties, and obligations contained or incorporated herein or therein, are not assignable by you without prior written consent of Tether. These Terms, the Incorporated Materials and any of the rights, duties, and obligations contained or incorporated herein or therein, are freely assignable by Tether, in whole or in part, without notice or your consent (for clarity, this assignment right includes the right for Tether to assign any claim, in whole or in part, arising hereunder). Any attempt by you to assign these Terms or any Incorporated Materials without written consent is void. Subject to the foregoing, these Terms and the Incorporated Materials, and any of the rights, duties, and obligations contained or incorporated herein or therein, shall be binding upon and inure to the benefit of the heirs, executors, administrators, personal or legal representatives, successors and assigns of you and of Tether. None of the provisions of these Terms or any Incorporated Materials, or any of the rights, duties, and obligations contained or incorporated herein or therein, are for the benefit of or enforceable by any creditors of you or Tether or any other persons, except such as inure to a successor or assign in accordance herewith and as provided in the following sentence. The Associates of Tether are intended third-party beneficiaries of the rights and privileges expressly stated to apply to the Associates hereunder and shall be entitled to enforce such rights and privileges (including those rights and privileges set out in paragraphs 7, 8, 9, 13 and 15 as if in direct privity under these Terms, subject to the conditions and limitations hereof including those relating to the resolution of disputes. No consent of any Person is required for any modification or amendment to these Terms.
19. **Severability:** If any provision of these Terms or part thereof, as amended from time to time, is determined to be invalid, void, or unenforceable, in whole or in part, by any court of competent jurisdiction, such invalidity, voidness, or unenforceability attaches only to such provision to the extent of its illegality, unenforceability, invalidity, or voidness, as may be, and everything else in these Terms continues in full force and effect.
20. **Effect of Redemption:** These Terms shall continue to apply notwithstanding the redemption of any Tether Token or the withdrawal of any Tether Token from a Tether Tokens Wallet.
21. **Sharing of Personal Information:** In providing the Services (including processing transfers of Fiat or Tether Tokens as part of the Services), Tether or its Associates may be required to share your user information with other contractual third parties, including financial institutions, or as required under applicable Laws. Further, from time to time, Tether and its Associates receive information requests from Governments, law enforcement agencies and courts around the world. In this context, Tether or any Associate thereof might be ordered to share and/or will provide on a voluntary basis, if this appears reasonable and necessary, your Personal Information with/to law enforcement agencies, the Persons identified by a court and/or a Government. You hereby consent to the sharing of your Personal Information as further detailed in these Terms, the [Privacy Statement](#) and, where applicable, the Law Enforcement Requests Policy and grant full permission and authority for Tether and its Associates to share this information with such contractual third parties, or as required under applicable Laws or demanded upon a lawful request by any Government, and release Tether and each Associate from any liability, error, mistake, or negligence related thereto.
22. **Electronic Communications and Acceptance:** You agree and consent to receive electronically all communications, agreements, documents, receipts, notices and disclosures that Tether may provide in connection with these Terms through publication on any part of the Site or to your authorised e-mail address on file with Tether. Such notices shall be deemed effective and received by you on the date on which the notice is published on any part of the Site or on which the e-mail is sent to such authorised e-mail address. These Terms may be accepted electronically, and it is the intention of the Parties that such acceptance shall be deemed to be as valid as an original signature being applied to these Terms.

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Tether supports and empowers growing ventures and innovation throughout the blockchain as a digital token built on multiple blockchains.

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## **TETHER INTERNATIONAL, S.A. DE C.V.**

INDEPENDENT AUDITORS' REPORT ON THE  
FINANCIALS FIGURES AND RESERVES REPORT



## INDEPENDENT AUDITORS' REPORT ON THE FINANCIALS FIGURES AND RESERVES REPORT

To the Board of Directors of  
TETHER INTERNATIONAL, S.A. de C.V.

We have been engaged to perform a reasonable assurance engagement on the Financials Figures and Reserves Report of Tether International, S.A. de C.V. (the "Company") as at 30 September 2025, a copy of which has been attached to this report.

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### Management's Responsibility for the Financials Figures and Reserves Report

Management is responsible for the preparation of the Financials Figures and Reserves Report in compliance with the criteria, including Management's Key Accounting Policies, set out in the Financials Figures and Reserves Report and for such internal control as management determines is necessary to enable the preparation of the Financials Figures and Reserves Report that is free from material misstatement, whether due to fraud or error.

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### Auditors' Independence and quality control

We have complied with the independence and all other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies *International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (ISQM1)* and, accordingly, maintains a system of quality control that includes directives and procedures concerning compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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### Auditors' responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Financials Figures and Reserves Report with the criteria, including Management's Key Accounting Policies, set out therein.

We carried out our work in accordance with the criteria established in the International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for reasonable assurance engagements. This standard requires that we plan and perform the engagement to obtain reasonable assurance whether the Financials Figures and Reserves Report is free from material misstatement.

The procedures performed on the Financials Figures and Reserves Report are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the Financials Figures and Reserves Report, analysis of documents, recalculations and other procedures aimed to obtain evidence, as appropriate.

Specifically, we carried out the following procedures:

- obtain a comprehension of internal control system;



- perform enquiries with the Management on the business operation of the last quarter, identifying material changes;
- compare financial data between the current Financials Figures and Reserves Report and the ones of the previous periods and discussion of possible significant differences;
- obtain confirmation letters directly from banks and depositaries and verify the reconciliations performed by management between the amounts in the accounting ledger/system and the bank statement to confirm the existence of the assets disclosed in the Financials Figures and Reserves Report;
- obtain reports from a specialized provider relating to inventory and quality testing, on sample basis, of precious metals and performing inventory procedures in order to confirm the existence of assets disclosed in the Financials Figures and Reserves Report;
- verify, for a significant sample, the correct valuation of the assets disclosed in the Financials Figures and Reserves Report in accordance with the criteria described in the Management's Key accounting policies;
- verify the reconciliations performed by management between the accounting ledger/system and the ledgers on the various blockchains relating to assets and liabilities as at 30 September 2025;
- verify, for a sample of outstanding secured loans, the existence of the collateral through the analysis of the contract and of the transactions;
- verify the correctness of the disclosures included in the Financials Figures and Reserves Report, excluding the Notes.

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## Conclusion

In our opinion, the Financials Figures and Reserves Report, as prepared by the management of the Company as of 30 September 2025, is, in all material respects, fairly presented in accordance with the criteria, including Management's Key Accounting Policies, set out therein.

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## Emphasis of Matter

We draw attention to the following in the accompanying Financials Figures and Reserves Report:

- The reporting date is limited to a point in time as of 30 September 2025. We did not perform procedures or provide any assurance at any other date or time in this report.
- Management's accounting policies provide the following:
  - financial investments are valued at fair value in line with IFRS 9;
  - investments in precious metals are valued at fair value;
  - intangible digital assets are valued at fair value;
  - secured loans are fully collateralized by liquid assets and regularly monitored and are measured at amortised cost (notional value for short-term secured loans) and adjusted for any expected credit loss allowance in line with IFRS 9;
  - Tether tokens issued have been classified as refund liabilities in line with IFRS 9, which are repayable on demand, and are recorded at the contractual redemption value of the tokens;
  - other assets and other liabilities are valued at amortised cost (notional value for short-term assets and liabilities) less any expected credit losses.



- Management has applied a going concern basis of accounting to value the Company's assets. The going concern assessment requires significant management judgment with regards to the Company's liquidity, market and credit risks. We do not provide any assurance in respect of such assessment.
- The valuation of the assets of the Company is based on normal trading conditions and does not reflect unexpected and extraordinary market conditions, or the case of key custodians or counterparties experiencing substantial illiquidity, which may result in delayed realisable values. No provision for expected credit losses was identified by management at the reporting date.
- At the reporting date, Tether International, S.A. de C.V. is defendant in two ongoing civil litigation proceedings. For one of them, the outcome cannot yet be reasonably reliably estimated by management and its counsel and therefore no provision is recognised by management. For the other proceeding (Celsius case), the Company as well as certain affiliated companies signed a Settlement Agreement before the date of this report but after 30 September 2025. The payment made in respect of the settlement was not drawn from the Company and therefore does not affect the disclosed Reserves.
- The digital tokens issued by Tether International, S.A. de C.V. allow holders to transact and settle transactions in a rapid manner, which may be pseudonymous, and may be verified by the sender and the recipient. The digital asset industry is nascent and innovating rapidly. Accordingly, any users of digital assets, including those tokens issued by the Company, should first inform themselves of the general risks and uncertainties of the industry, including as to evolving legal and regulatory requirements. Users of Tether tokens should familiarize themselves with the risk disclosures, as they may be changed and updated from time to time.

Our opinion is not modified in respect of these matters.

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### Basis of Accounting

Without modifying our conclusion, we draw attention to the Management's Key Accounting Policies included in the Financials Figures and Reserves Report, which describe the basis of accounting. The Financials Figures and Reserves Report is prepared by management of Tether International, S.A. de C.V. for transparency purposes. As a result, the Financials Figures and Reserves Report may not be suitable for another purpose.

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### Scope limitations

Our opinion is limited solely to the Financials Figures and Reserves Report and the corresponding total assets and total liabilities as of 30 September 2025. Activity prior to and after this time and date was not considered when testing the balances and information described above. In addition, we have not performed any procedures or provided any level of assurance on the financial or non-financial activity on dates or times other than that noted within this report.

The Notes to the Financials Figures and Reserves Report are provided by management of the Company for additional information only, and this information has not been subject to the scope of our assurance engagement and, accordingly, we do not express an opinion or provide any assurance on it. Our responsibility is to read the other information in the Notes, and, in doing so, consider whether the other information is materially inconsistent with the Financials Figures and Reserves Report or our knowledge obtained in the course of the engagement, or otherwise appears to be materially misstated.

Milan, 31 October 2025

BDO Italia S.p.A.  
  
 Andrea Mezzadra  
 Partner



# **Financial Figures & Reserves Report**





This report<sup>1</sup> includes financial information for and in respect of **Tether International, S.A. de C.V. (ES)** (the “**Company**”). This report does not represent the financial statements of the Company but discloses financial information extracted from its accounting records.

The assets owned by the Company are considered to be reserves backing the fiat-denominated Tether tokens in circulation (the “**Reserves**”). Additional details are provided about the Reserves in the dedicated section below.

Key financial figures as of 30 September 2025 and its comparative as of 31 December 2024 at 11:59 PM UTC are:

FINANCIAL FIGURES	30 September 2025			31 December 2024		
	Total Assets	Total Liabilities	Equity	Total Assets	Total Liabilities	Equity
<i>In USD Millions</i>						
Tether International, S.A. de C.V. <sup>2</sup>	181,223	(174,445)	6,778	143,705	(136,618)	7,087

The value of the assets composing the Reserves as of 30 September 2025, exceeds the value of the liabilities of the company issuing fiat-denominated Tether tokens by US\$ 6,777,784,711.

CHANGE IN NET EQUITY	As of beginning of the period: 31.12.2024	During the period			As of end of the period: 30.09.2025
		Financial result	Dividend Distributions	Capital injections	
<i>In USD Millions</i>					
Tether International, S.A. de C.V.	7,087	10,076	(10,385)	-	6,778

<sup>1</sup> As described in the “Notes to the Financial Figures and Reserves Report” Tether International, S.A. de C.V. successfully relocated from the British Virgin Islands to El Salvador in January 2025.

<sup>2</sup> Tether International, S.A. de C.V. is the company which issues Tether tokens pegged to fiat currencies such as USD₯ and others, and manages the Reserves backing those Tether tokens. On 31 December 2024, both Company and Tether Limited (Hong Kong) issued Tether tokens pegged to fiat currencies and held and managed the reserves backing those Tether tokens. The “Total Assets”, “Total Liabilities” and “Equity” reported for 31 December 2024 are therefore the “Total Assets”, “Total Liabilities” and “Equity” of both Company and Tether Limited.



### **Management's Key Accounting Policies:**

- This report is prepared using the recognition and measurement principles of IFRS as issued by the IASB but does not contain sufficient information in terms of general presentation, required primary statements, and disclosures to comply with IFRS.
- Management has applied a going concern basis of accounting to value the Company's assets.
- Financial investments are valued at fair value in line with IFRS 9.
- Investments in precious metals are valued at fair value.
- Intangible digital assets are valued at fair value.
- Secured loans are fully collateralized by liquid assets and regularly monitored and are measured at amortised cost (notional value for short-term secured loans) and adjusted for any expected credit loss allowance in line with IFRS 9.
- Tether tokens issued have been classified as refund liabilities in line with IFRS 9, which are repayable on demand, and are recorded at the contractual redemption value of the tokens.
- Other assets and other liabilities are valued at amortised cost (notional value for short-term assets and liabilities) less any expected credit losses.
- The valuation of the assets of the Company is based on normal trading conditions and does not reflect unexpected and extraordinary market conditions, or the case of key custodians or counterparties experiencing substantial illiquidity, which may result in delayed realisable values. No provision for expected credit losses was identified by management at the reporting date.



## Fiat denominated Tether tokens Reserves report

- *Reporting Date:* The reporting date is limited to a point in time as of 30 September 2025 at 11:59 PM UTC.
- The Reserves for Tether tokens in circulation amount to US\$ 181,223,149,214.
- The liabilities of the Company amount to US\$ 174,445,364,503 of which US\$ 174,356,634,812 relates to digital tokens issued<sup>3</sup>.
- **The value of the assets composing the Reserves as of 30 September 2025 exceed the value of the liabilities of the Company by US\$ 6,777,784,711.**
- *Key accounting policies:* The policies disclosed above are applicable for the Reserves' reporting.
- *Outstanding Litigation:* At the date stated above, Tether International, S.A. de C.V. is a defendant in two ongoing civil litigation proceedings, the outcome of which cannot yet be reasonably reliably estimated by Company's management and its counsel. No provision is recognised in the Financial Figures and Reserves Report.  
Both cases are in the courts of New York. The first is a class action alleging a variety of claims relating to the drop in the price of bitcoin in 2017 and 2018. The second case arises from the Celsius bankruptcy.  
Company as well as certain affiliated companies reached a settlement of all issues related to the Celsius bankruptcy pursuant to a Settlement Agreement entered into before the date of issuance of this report but after 30 September 2025. The payment made in respect of the settlement was not drawn from the Company and therefore does not affect the disclosed Reserves.

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<sup>3</sup> The liabilities related to digital tokens issued comprises the amount related to the total digital tokens issued less digital tokens held by the Company but not in its treasury wallet. Digital tokens in the treasury wallet are authorized but not yet issued and are not considered liabilities. The total gross contractual redemption value related to all digital tokens issued is equal to US\$ 174,675,960,615. The amount related to digital tokens held by the Company but not in its treasury wallet is equal to US\$ 319,325,803. The digital tokens held by the Company do not form any part of the assets or liabilities of the Company. As per its definition, contractual redemption value of the token takes into consideration the redemption fee of 10 basis points.



- **Asset Breakdown:** At the reporting date, the breakdown of the Reserves backing the fiat-denominated Tether tokens in circulation is as follows:

<b>Asset Category</b>	<b>Amount in USD</b>
1. Cash & Cash Equivalent & Other Short-Term Deposits:	
U.S. Treasury Bills <sup>4</sup>	112,417,034,272
Overnight Reverse Repurchase Agreements <sup>5</sup>	17,991,468,781
Term Reverse Repurchase Agreements <sup>6</sup>	3,056,191,686
Money Market Funds <sup>7</sup>	6,409,774,689
Cash & Bank Deposits <sup>8</sup>	30,100,334
Non-U.S. Treasury Bills <sup>9</sup>	47,901,280
<b>Subtotal</b>	<b>139,952,471,042</b>
2. Corporate Bonds <sup>10</sup>	14,672,361
3. Precious Metals <sup>11</sup>	12,921,449,635
4. Bitcoin <sup>12</sup>	9,856,011,011
5. Other Investments <sup>13</sup>	3,874,458,261
6. Secured Loans <sup>14</sup>	14,604,086,904
<b>Total (1+2+3+4+5+6)</b>	<b>181,223,149,214</b>

<sup>4</sup> The "U.S. Treasury Bills" category comprises U.S. Treasury Bills with a residual average maturity of less than 90 days.

<sup>5</sup> The "Overnight Reverse-Repurchase Agreements" category comprises Reverse-Repurchase Agreements with a maturity of 1 day fully collateralized by US Treasuries, where the ultimate issuer or guarantor has a rating of A-2.

<sup>6</sup> The "Term Reverse-Repurchase Agreements" category comprises fully collateralized Reverse-Repurchase Agreements with a residual average maturity of less than 90 days, where the ultimate issuer or guarantor has a rating of A-2.

<sup>7</sup> The "Money Market Funds" category comprises funds investing in highly liquid, short-term money market instruments, including but not limited to deposits, treasury bills, and reverse-repurchase agreements.

<sup>8</sup> The "Cash & Bank Deposits" category comprises cash deposits at financial institutions.

<sup>9</sup> The "Non-U.S. Treasury Bills" have a residual average maturity of less than 270 days.

<sup>10</sup> The "Corporate Bonds" have a residual average maturity of less than 90 days.

<sup>11</sup> The "Precious Metals" category comprises LBMA standard physical gold bars owned by Tether International, S.A. de C.V. As of 30 September 2025, the Company recognized, under the asset category Precious Metals within Reserves, a carrying amount of US\$ 496,632,928 related to gold purchased but not yet received into custody. Although the physical delivery of the gold had not yet occurred as at the reporting date, the Company had obtained control of the gold, legal title to the gold and significant risks and rewards to the gold were transferred to Company in accordance with the terms of the underlying contracts.

As of the issuing date of this report, the gold has been received by the Company.

<sup>12</sup> The "Bitcoin" category comprises Bitcoins held on-chain in wallets controlled by Tether International, S.A. de C.V. The value of Bitcoin has been calculated using BTC price USD 114,160 available at 11:59 PM UTC, 30 September 2025.

<sup>13</sup> The "Other Investments" category comprises other investments within the Reserves that do not meet any of the criteria set out in the other categories.

<sup>14</sup> The "Secured Loans" category comprises loans over-collateralized by liquid assets subject to margin call and liquidation mechanisms.



- *Cash and Cash Equivalent and other short-term deposits:*

At the reporting date, the value of US treasuries in which Money Market Funds are invested (indirect exposure) is as follows:

<i>In USD</i>	<b>Fair value</b>	<b>Fair value of the US Treasuries bills indirect exposure</b>
Money Market Funds	6,409,774,689	4,709,253,526

At the reporting date, the value of US treasuries provided as collateral for the Overnight Reverse Repurchase Agreement activity, is as follows:

<i>In USD</i>	<b>Fair value</b>	<b>Fair value of the US Treasuries Collateralizing the exposure<sup>15</sup></b>
Overnight Reverse Repurchase Agreement	17,991,468,781	17,985,591,094

## Other Information

- *Risks Associated with Digital Tokens:* The digital tokens issued by Tether International, S.A. de C.V. allow holders to transact and settle transactions in a rapid manner, which may be pseudonymous, and may be verified by the sender and the recipient. The digital asset industry is nascent and innovating rapidly. Accordingly, any users of digital assets, including those tokens issued by the Company, should first inform themselves of the general risks and uncertainties of the industry, including as to evolving legal and regulatory requirements. Users of Tether tokens should familiarize themselves with the risk disclosures, as they may be changed and updated from time to time, available at the "Risk Disclosure Statement" tabs at <https://tether.to/legal/>.

<sup>15</sup> Overnight Reverse Repurchase agreements are marked to market every morning, with adjustment to collateral as needed. Any difference is due to intraday movements in collateral value.



Authorized and approved by the Board of Directors on 31 October 2025 and signed on behalf of the Board of Directors by Giancarlo Devasini, as Chairman of the Board of Directors:

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

Giancarlo Devasini



## Notes to the Financial Figures and Reserves Report

(no assurance provided by the independent auditor on these notes)

### 1. Responsibilities of Management:

Management is responsible for the preparation and fair presentation of this Financial Figures and Reserves Report, and for such internal control as management determines is necessary to enable its preparation free from material misstatement.

### 2. Background Information:

2.1. Tether International, S.A. de C.V. is an El Salvador Sociedad Anónima de Capital Variable. The Company is registered as a Money Services Business with the Financial Crimes Enforcement Network of the U.S. Department of the Treasury. Following its relocation to El Salvador, the Company reports to the Financial Investigation Unit of El Salvador pursuant to applicable law.

2.2. The Company successfully relocated from the British Virgin Islands to El Salvador in January 2025. Tether International, S.A. de C.V. became the sole issuer of Fiat denominated tokens. Tether International S.A. de C.V. has obtained authorisation as a Stablecoin Issuer and Digital Assets Service Provider under the Digital Asset Issuance Law of El Salvador, and is subject to the regulatory requirements specified by the National Commission of Digital Assets of El Salvador.

2.3. Tether tokens are stablecoin utility tokens that facilitate commercial transactions and activity in various marketplaces. As of the reporting date, Tether tokens are available on 13 discrete blockchains,<sup>16</sup> all as approved by the Company. The total number of authorized and issued tokens is made publicly available by the Company. All Tether tokens are backed by an equivalent amount of assets held in Reserves. The use of fiat-denominated Tether tokens is governed by Tether's terms of service, as they may be changed and updated from time to time, available at <https://tether.to/legal/>.

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<sup>16</sup> Tether tokens are currently issued on the Ethereum, Tron, Ton, Liquid, Solana, Avalanche, Tezos, Near, Cosmos, Celo, Kaia, Aptos, and Polkadot Asset Hub blockchains. On 1 September 2025, Tether ceased to be obligated to accept redemption of all remaining USD₯ on the Kusama, Bitcoin Cash SLP, Omni layer (Bitcoin), EOS and Algorand blockchains. Starting from 27 November 2025, Tether will cease to be obligated to accept redemptions of EUR₯.



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# What are Tether tokens and how do they work?

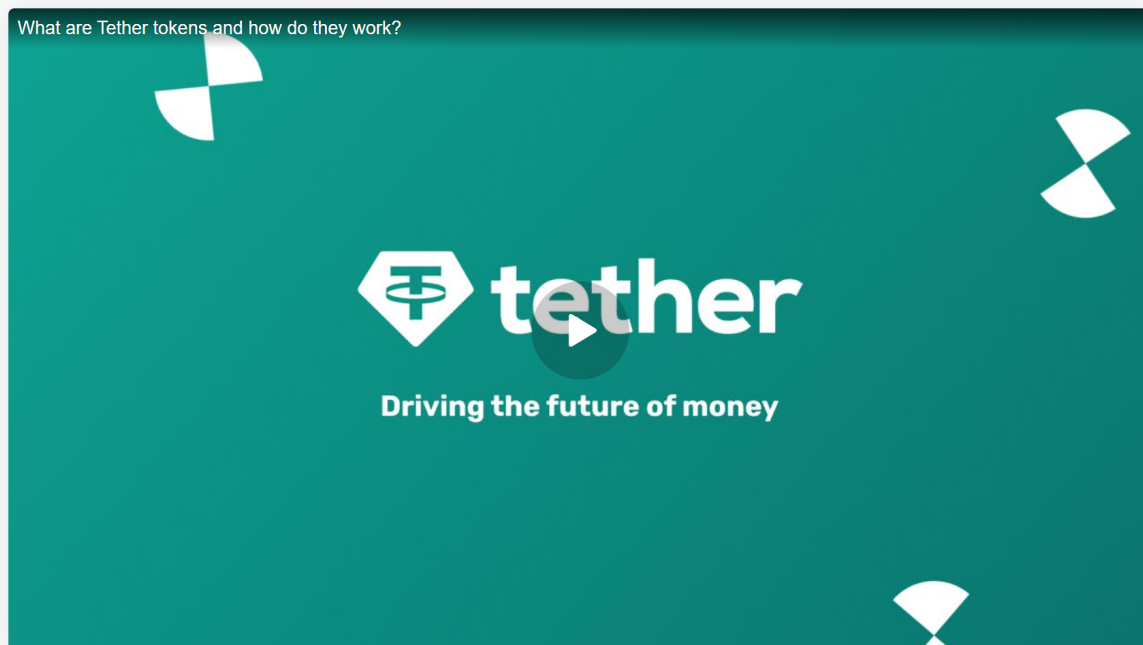
**Tether tokens are assets that move across the blockchain just as easily as other digital currencies but that are pegged to real-world currencies on a 1-to-1 basis.**

Tether tokens are referred to as stablecoins because they offer price stability as they are pegged to a fiat currency. This offers traders, merchants and funds a low volatility solution when exiting positions in the market.

All Tether tokens are pegged at 1-to-1 with a matching fiat currency (e.g., 1 USD $\overline{T}$  = 1 USD) and are backed 100% by Tether's reserves.

As a fully [transparent](#) company, we publish a record of the current reserve assets.

## How are Tether tokens Issued





## More stability, more growth

Tether tokens have grown in popularity over the past few years, with a market cap of more than US\$100 billion (as of March 2024). Tether tokens allow customers the ability to transact across different blockchains, without the inherent volatility and complexity typically associated with digital tokens.

## Blockchain ready

Tether tokens exist as digital tokens built on various blockchains including Algorand, Avalanche, Celo, Cosmos, Ethereum, EOS, Liquid Network, Near, Polkadot, Solana, Tezos, Ton, and Tron. Therefore, issuance of Tether tokens is viable on various blockchains with varying capabilities depending on the transport protocol used.



## New Tokens

Tether only issues new Tether tokens when they are requested and purchased by customers who have followed our strict KYC procedure.

**The token that is disrupting the global  
financial industry**

## Tether for Individuals



Tether tokens offer exceptional liquidity on tier one exchanges giving traders the ability to take advantage of arbitrage opportunities in the fastest time possible.

[Learn more →](#)

## Tether for Merchants



For merchants, integrating Tether tokens opens up an array of opportunities for consumers to purchase products and services.

[Learn more →](#)

## Tether for Exchanges



Tether tokens play a pivotal role in the digital token ecosystem and are the most actively traded in terms of 24-hour volume.

[Learn more →](#)

# Driving the Future of Money

Tether supports and empowers growing ventures and innovation throughout the blockchain as a digital token built on multiple blockchains.

### Tether

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### Products

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### Solutions

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# Legal

< e 2- Privacy Statement 3- Anti-Spam Policy 4- Law Enforcement Requests 5- Cookies Notice **6- Risk Disclosure Statement**

Last updated January 27th 2025

This Tether Token Risk Disclosure Statement ("**Statement**") provides you with a summary of certain risks you should consider when deciding whether to purchase, hold or dispose of Tether Tokens or use the Services offered by Tether (each, as defined in the Tether Token Terms of Service (the "**Terms**"). By purchasing, holding and disposing Tether Tokens or using the Services offered by Tether, you acknowledge that you have read and understand this Statement. You should not purchase, hold or dispose of Tether Tokens or use the Services offered by Tether unless you understand the related risks.

This Statement discusses some of the principal risks of Tether Tokens and the Services, but it does not and cannot describe every risk or consideration associated with Tether Tokens and the Services. This Statement utilizes certain terms that are defined in the Terms. Please consult the Terms for further information regarding those terms.

Risks of purchasing, holding and disposing of Tether Tokens and using the Services include, but are not limited to, the following:

1. **Market Risk:** Secondary Market prices for Tether Tokens can fluctuate and be unpredictable due to a variety of factors outside of Tether's control. Whether the future market price for a Tether Token will move up or down, or even sustain a market value, is unknowable. There is no assurance that Tether Tokens will maintain their long-term value in the future or that the acceptance of Tether Tokens for payments by mainstream and commercial businesses will continue to grow. A Tether Token may trade at, above or below the unit of Fiat for which such token is redeemable. The market price of Tether Tokens in Secondary Markets could fluctuate in response to conditions in those markets irrespective of the value of the unit of Fiat underlying a Tether Token. The amount of the discount or premium in the market price for Tether Tokens relative to the unit of Fiat for which a Tether Token is redeemable may be affected by the trading activity in Tether Tokens, the ease and costs of redemption, and other factors. Tether cannot control how third parties value Tether Tokens. For purposes of this Statement, the term "**Primary Market**" refers to users purchasing or selling Tether Tokens directly through the Site and "**Secondary Market**" refers to any transaction in Tether Tokens other than with users and transactions taking place in the Primary Market.
2. **Settlement Risk:** Tether may from time to time make Tether Tokens available for purchase subject to minimum purchase and other requirements which are not set forth on the Site. Redemptions of Tether Tokens or exchanges of Tether Tokens for Tether Tokens issued on another protocol may also be subject to requirements imposed by Tether. Tether may amend the Terms at any time, without notice. Transactions and settlement conditions imposed by Tether may not be set forth on the Site at the time of transaction and the period for the settlement of any transaction in Tether Token may depend upon these transaction and settlement conditions. Tether makes no representations or warranties that it will sell or exchange new Tether Tokens on comparable terms or on any terms in the future.
3. **Liquidity and Listing Risk:**
  - 3.1. Markets for Digital Tokens can have varying degrees of liquidity. Some markets may be quite liquid while others may be thinner or possibly even illiquid. Thin and illiquid Secondary Markets can experience greater volatility in market prices. Tether Tokens may be issued by Tether on multiple blockchains in its sole discretion. Tether Tokens trading on one blockchain may not be readily exchangeable for Tether Tokens trading on a different blockchain. There is never a guarantee that there will be an active Primary Market or Secondary Market for you to purchase or dispose of Tether Tokens.
  - 3.2. Trading exchanges or markets may list Tether Tokens and may delist them from trading without prior notice or consent by Tether or anyone else. Furthermore, it is possible that any Secondary Market for Tether Tokens could abruptly appear and then vanish. Merchants and other commercial parties who accept Tether Tokens for their goods and services do so at their discretion. They may cease to accept Tether Tokens in the future or value them at less than their redemption value. Tether may cease supporting the availability of Tether Tokens on any particular blockchain. The use of Tether Tokens in any trading exchange, market or commercial transaction does not require permission from Tether and does not constitute an endorsement by Tether.
4. **Risk Related to Reserves:** Each Tether Token in circulation is backed by an amount of Reserves equal to the redemption value of the Tether Token. The preparation of transparency disclosures and the valuations of the Reserves may involve uncertainties and judgmental determinations. Independent pricing information about some of the Reserves may not always be available and any assumptions made may include normal trading conditions without a large-scale sale, and valuing certain assets at cost and others at fair value. In some cases, there is limited historical experience upon which to base these estimates and assumptions. Reported information may be adversely affected if assumptions change or if actual circumstances differ from those in the estimates and assumptions. Reserves could be subject to unexpected diminution in value if any of those assumptions prove not to be correct. This may result in delays and other barriers to redemption and sale. For further information on transparency disclosures, please refer to paragraph 16 below.
  - 4.1. **No Government Backing:** Tether Tokens are not legal tender and are not issued, backed, or guaranteed by any Government and, consequently, some of the protections that apply to Fiat currencies do not apply to Tether Tokens. For instance, no Government can be expected to bolster the value of Tether Tokens in case of a crash in value.
  - 4.2. **No Security:** Your right to request redemption of your Tether Tokens is a contractual right and does not represent security in favour of a holder of Tether Tokens. Post sale, Tether's only obligation is to redeem Tether Tokens through the Site subject to the Terms.
  - 4.3. **Liquidity Risk:** Although Tether seeks to ensure that the majority of its Reserves are held in liquid assets, there can be no assurance that the

liquidity of the Reserves will always be sufficient to meet redemption requests as and when made. As a consequence, it is possible that the redemption of Tether Tokens may be deferred or suspended in certain circumstances.

- 4.4. **Banking Risk:** Tether relies on financial institutions and intermediaries to hold funds, cash equivalents, and other assets forming part of the Reserves. Such Reserves held at or through financial institutions or intermediaries may be subject to the risk of loss, theft, insolvency, and governmental and regulatory freezes and seizures. Furthermore, these parties have their own policies and may change their view and acceptance of Tether which could affect Tether's access to its reserves at any time. Financial institutions or intermediaries may refuse to process funds for Digital Token transactions, process wire transfers to or from Digital Token trading platforms, Digital Token-related companies or service providers, or maintain accounts for persons or entities transacting in Digital Tokens. This may result in delays and other barriers to redemption and sale of your Tether Tokens. You should be aware of these risks at all times.
- 4.5. **Obligations and Reserves Uninsured:** Neither Tether Tokens nor the Reserves are insured by a private company or Government, and are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections, or to analogous protections in other jurisdictions. Accordingly, any loss you may experience as a holder of Tether Tokens would not be offset by any insurance payment.
- 4.6. **Counterparty Risk:** Reserves may include loan receivables owed to Tether and its Affiliates and other assets that depend upon the performance of a counterparty, including Affiliates of Tether. These assets are subject to the risk of default, insolvency, inability to collect, inability to enforce rights over security (if any), illiquidity of any counterparty and possible invalidation of transactions under relevant creditor and insolvency laws. The inability of Tether or its Affiliates to recover funds owed by counterparties will adversely impact the value the Reserves. Tether is not responsible for any loss that any counterparty may cause to you.
5. **Risk Related to Redemption of Tether Tokens:** Redemption requests must comply with the Terms. The execution of such redemption requests could be subject to postponement or rejection by Tether under certain circumstances. In addition, Tether will reject a redemption request if it is not in proper form or if the fulfillment of the request might be unlawful. Any such postponement or rejection could adversely affect a redeeming holder of Tether Tokens. Tether reserves the right to delay the redemption or withdrawal of Tether Tokens if such delay is necessitated by the illiquidity or unavailability or loss of any Reserves held by Tether to back the Tether Tokens. Redemption is subject to fees and conditions that may make the exercise of your right to redemption impractical or reduce the profit from the exercise of such rights. You should consult your own tax advisors as to the tax consequences of redemption.
6. **Risks of Third Parties:** Once you send Tether Tokens to an address of a third party, you are subject to a risk that access to, and any claim on, those Tether Tokens may be lost permanently if the Tether Tokens are transferred to an address or wallet that the intended recipient does not control, including as a result of: (i) sending Tether Tokens to an incorrect address; or (ii) the intended recipient no longer holding the private keys to that address. Transferring Tether Tokens to any other person or depositing Tether Tokens with any third party in a custodial relationship has attendant risks. These risks include security breaches, risk of contractual breach, and risk of loss. You should carefully consider the risks of allowing third parties to hold your property for any reason.
7. **Risks of Immutable Transactions:** Blockchain transactions are immutable. Once a transaction is completed on the blockchain underlying a Tether Token, the transaction is irreversible, and Tether does not have the ability to reverse or recall any transaction. You bear all responsibility for any loss that might be incurred as a result of sending Tether Tokens to an incorrect or unintended blockchain address. None of Tether or its Affiliates have any obligation to track or verify any Tether Token transactions.
8. **Conflicts of Interest Risk:** From time to time, Tether and its Affiliates may enter into contracts with persons who are related parties. There is a risk that the proximity of the counterparties in related-party transactions may compromise the objectivity and impartiality of decisions relating to the terms of those transactions.
9. **Regulatory Risk in Issuance and Transfer:** The applicable legal regime and legality of transactions involving Tether Tokens may not be clear and may vary under the laws of different jurisdictions. For example, whether and on what basis a Tether Token may constitute property, an asset, a financial instrument or a right of any kind might vary from one jurisdiction to another. Prospective purchasers or holders of Tether Tokens are responsible for knowing and understanding how the laws apply to them or their property, rights or assets in their jurisdiction.
10. **Risks of Regulatory Change and Enforcement Actions:** Regulators continue to assess how Digital Tokens, such as Tether Tokens, should be regulated. Any new regulation could potentially affect or impair Tether's ability to operate and may raise transaction costs, potentially offsetting and/or eliminating many of the key benefits of stablecoins. Changes in the regulatory environment may impact the ability of, or process for, users to acquire and redeem Tether Tokens, and the availability of Secondary Markets. In addition, if Tether fails to comply with changing regulatory regimes, Tether and its Affiliates may be subject to regulatory actions, which may adversely affect Tether and its ability to operate. Tether and its Affiliates have been, are, and may continue to be subject to regulatory and other investigations in various jurisdictions. The outcome of any pending or future regulatory or other investigation could have a materially adverse impact on Tether and its Affiliates and their ability to operate.
11. **Commingling and Redemption Risks:** Any Tether Tokens transferred to Tether to enable redemptions may be commingled with the Tether Tokens of other users of the Site and with the Tether Tokens of Tether and its Affiliates and service providers. Transferring Tether Tokens to Tether exposes you to risks of loss from, among other things, security breaches from cyber attacks that hack and steal Tether Tokens, electronic or technological failures that impede or prevent access, or recordkeeping errors.
12. **Blockchain Network and Protocol Risks:** Tether Tokens may be issued by Tether on multiple blockchains in its sole discretion, but Tether does not own or control the blockchain protocols which govern the operation of the Tether Tokens. In general, the underlying protocols are open source and anyone can use, copy, modify, and distribute them. These blockchain networks and protocols may not have the functionality, security, or availability desired by a user of Tether Tokens. Some of the protocols are subject to consensus-based proof of stake validation methods which may allow, by virtue of their governance systems, changes to the associated blockchain or digital ledger, and the operation of the Tether Tokens on such blockchains may be affected accordingly. Protocols are subject to the possibility that miners and users begin using different versions of the protocol, resulting in a fork. Forks of protocols can create security concerns due to reduced network distribution and questions as to protocol operability. These could impact the operation of Tether Tokens on a forked network. In addition, the growth and development of Tether Tokens and their underlying networks and other cryptographic and algorithmic protocols governing the creation, transfer, and usage of Tether Tokens are subject to a variety of factors that are difficult to evaluate, including that Tether maintains and secures crucial administrative cryptographic keys for the operation of Tether Tokens protocols on public blockchains. Breaches in the custody, control and operations associated with these keys could lead to failures in the operation of Tether Tokens. Protocols are subject to the possibility that miners and users begin using different versions of the protocol, resulting in a fork. Forks of protocols can create security concerns due to reduced network distribution and questions as to protocol operability. Where a blockchain or protocol on which Tether Tokens are issued is forked, Tether may elect to suspend Services temporarily or for an extended period of time on little or no notice.
13. **Risk of Account or Transfer Freeze:** Tether may suspend or terminate your access to the Site or any of the Services, freeze any Tether Tokens held by you, or terminate your Tether Token Wallet, as required by applicable Law or where Tether, in its sole discretion, determines it is prudent to do so or where you have violated, breached, or acted in a manner inconsistent with any provision of these Terms or applicable Law. If Tether Tokens are frozen or destroyed, you will not be able to make transfers of those Tether Tokens to or from your wallet. In the event that you attempt to send Tether Tokens to a sanctioned or suspicious blockchain address, Tether may freeze the Tether Tokens. In certain circumstances, Tether may be required to report suspected

- illegal activity to applicable law enforcement agencies and you may forfeit any rights associated with your Tether Tokens.
14. **No Advice from Tether:** Tether does not provide investment, portfolio management, legal, accounting, tax or other advice, or advice on trading techniques, models, algorithms, or any other schemes. All information provided in connection with your access and use of the Services is for informational purposes only and should not be construed as professional advice. You should not take, or refrain from taking any action based on any information contained on the Site or any other information that we make available at any time. You should not take, or refrain from taking any action based on any information contained on the Site or any other information that we make available at any time. Before you make any financial, legal, or other decisions involving the Services, you should seek independent professional advice from an individual who is licensed and qualified in the area for which such advice would be appropriate.
  15. **Cyber Security Threats and Operational Challenges:** The nature of Digital Tokens may lead to an increased risk of fraud or cyberattack. Tether may experience sophisticated cyberattacks, unexpected surges in activity or other operational or technical difficulties that may cause interruptions in the Services. You are aware of and accept the risk of cyberattacks and operational challenges. You understand that cyberattacks and operational challenges may lead to delays, including delays in the ability to redeem your Tether Tokens. Tether is not responsible for any loss that might arise from any cyberattacks or operational challenges.
  16. **Transparency:** Tether reports information about Tether Tokens and Reserves at [tether.to/en/transparency](https://tether.to/en/transparency). This information is provided as part of Tether's continued commitment to transparency, it is not a part of the Terms, and should not be relied upon in a decision to utilize the Services or to hold or transact in Tether Tokens. The information provided is based on the information available to Tether, which may be delayed. In addition, the information is not a representation or warranty to any person except as otherwise agreed in writing by Tether.
    - 16.1. **Limited Accounting Guidance:** There is limited guidance from accounting standards setting bodies on applying complex financial accounting rules to stablecoins. There is also limited precedent in financial reporting by other companies. This creates significant uncertainty in the proper accounting and disclosure for certain assets and transactions. Accounting standards setting bodies may adopt new principles, and precedents may develop, which could have a significant effect on the information reported by Tether. Uncertainties in, or changes to financial accounting standards could result in the need to change accounting methods and may impair Tether's ability to continue to provide transparency disclosures.
    - 16.2. **Estimates and Assumptions:** The preparation of transparency disclosures requires Tether to make estimates and assumptions that affect the amounts reported. These assumptions include normal trading conditions without a large-scale sale and valuing certain assets at cost and others at fair value. In some cases, there is limited historical experience upon which to base these estimates and assumptions. Reported information may be adversely affected if assumptions change or if actual circumstances differ from those in the estimates and assumptions.
    - 16.3. **Timing:** Information contained in the transparency pages is only accurate as of the dates provided, and Tether does not undertake to notify users of the Services or holders of the Tether Tokens of any updates to this information. Accordingly, the information available in the transparency pages at any time may not reflect the Reserves or the Tether Tokens in circulation at the time the information is reviewed.
    - 16.4. **Limited Information:** The information presented in the transparency pages is subject to the limitations, qualifications and assumptions expressed therein. It does not purport to be financial statements of Tether. The independent accountant's reports issued in respect of Tether's consolidated reserves reports are issued to the Board of Directors and Management of Tether Holdings, S.A. de C.V. and are not for the benefit of users of the Services or holders of Tether Tokens.
  17. **Litigation Risk:** As of the date set forth above in this Statement, Tether and its Affiliates are defendants in ongoing civil litigation proceedings, and may be subject to further litigation (including civil and administrative proceedings). There can be no assurance that Tether will not be added as defendants to further litigation, or that the outcome of any such proceedings will be favourable to Tether and its Affiliates. Any such unfavourable outcome or any other legal proceeding in the future could have a material adverse effect on Tether, its Affiliates and the Reserves.
  18. **Publicity Risk:** Unfavourable media coverage can negatively affect the value of the Tether Tokens on the Secondary Market. Tether, its Affiliates, and Tether Tokens receive a high degree of media and social media coverage around the world. Unfavourable publicity regarding, for example, liquidity, litigation or regulatory activity, the Reserves, privacy practices, terms of service, the use of Tether Tokens for illicit or objectionable ends, has in the past, and could in the future, adversely affect the Secondary Market price of Tether Tokens.

## The Future of Money

Sign Up

## Driving the Future of Money

Tether supports and empowers growing ventures and innovation throughout the blockchain as a digital token built on multiple blockchains.

### Tether

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Bug Bounty  
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Tether Facts  
Relevant Information Document  
Tether Channels  
Security Features

### Products

Tether token MXNt  
Tether token USDt  
Tether Gold token - XAUT

### Solutions

For Individuals  
For Merchants  
For Exchanges

Alloy by Tether



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# EXHIBIT 2

From: JCDZ <<<mailto:jcdz667@163.com>> [jcdz667@163.com](mailto:jcdz667@163.com)>  
Sent: November 27, 2020 11:09 PM  
To: <<mailto:michael@tether.to>> [michael@tether.to](mailto:michael@tether.to)  
Cc: <<mailto:ryan@tether.to>> [ryan@tether.to](mailto:ryan@tether.to); <<mailto:paolo@bitfinex.com>> [paolo@bitfinex.com](mailto:paolo@bitfinex.com); <<mailto:leo@tether.to>> [leo@tether.to](mailto:leo@tether.to)  
Subject: Re: Re: Re:Re: Re: [Urgent!] USDT Got Stolen, Help Needed to freezing usdt token[#739807]

Hi Michael

Thanks , Can you give me a worry and a specific time when you can finish it?

According to your requirements, I have provided the following feedback.

1. Question: As to the document from the Chinese police, there should also be a full police report in Chinese. Please send this to me.

Answer: Attached is the letter of assistance from the police. According to Chinese procedures, there are three parts

- \* Police id card
- \* subpoena
- \* Acceptance of case

2、 Question: Is there an active court case in China? If yes, please send us all the documents filed in that matter.

Answer: Yes, but the case is a criminal case .These documents are strictly confidential and cannot be given to us or you.

3、 Question : kindly provide me your full name, title and full contact information for my records.

Answer: You can call me Zhou Yefei The legal person and CEO of this company and my phone number +86 13724190720

On 11/29/2020 01:15, [michael@tether.to](mailto:michael@tether.to) wrote:

JCDZ,

Confirming your latest response, thank you.

I need to remind you that this matter, unfortunately, isn't going to be a quick process. We have frozen a significant amount of Tether tokens to preserve the assets. We need to be cautious to ensure the Tether is ultimately given to its lawful owner, which is our highest priority. If we make a mistake in giving it to the wrong individual or company, that could create a liability for Tether and a number of other problems. This all requires that we go through a careful process, portions of which we can't share with you. While we understand it's difficult, your patience moving forward will be appreciated.

I will come back to you this week with an update, and likely some additional questions and requests.

Thanks

Michael

On 11/29/2020 09:06, [jcdz667@163.com](mailto:jcdz667@163.com) JCDZ<[jcdz667@163.com](mailto:jcdz667@163.com)> wrote:

Hi Michael

Thank you very much for your quick reply. The assets are 100% ours and we have also made the signature of the private key according to your requirements.

In addition, the litigation documents of the United States and the freezing order of China can prove that this part of assets is our property.

I have only one question. If you once confirm that this part of assets is ours, will you charge 700000 USDT or less?

Because the only thing that prevents you from giving us this part of the assets is that your fees are too high and we can't afford it.

Please give me a confirmation for this part, thanks!

From: JCDZ <<<mailto:jcdz667@163.com>> [jcdz667@163.com](mailto:jcdz667@163.com)>  
Sent: November 29, 2020 1:17 AM  
To: <<mailto:michael@tether.to>> [michael@tether.to](mailto:michael@tether.to)  
Cc: <<mailto:ryan@tether.to>> [ryan@tether.to](mailto:ryan@tether.to); <<mailto:paolo@bitfinex.com>> [paolo@bitfinex.com](mailto:paolo@bitfinex.com); <<mailto:leo@tether.to>> [leo@tether.to](mailto:leo@tether.to)  
Subject: Re: Re: Re:Re: Re: [Urgent!] USDT Got Stolen, Help Needed to freezing usdt token[#739807]

Hi Michael and leo

We fully support the consideration of Tether, but you are sure to support our demands and payment ability. We can only pay tether 700000USDT at most. Otherwise there is no point in our communicating.

This needs a definite answer from you.

In addition, although you have frozen the assets, our company is in a very difficult situation. We look forward to your return of these assets as soon as possible so as to solve our company's problems

Expect us to solve this problem efficiently and quickly. Inefficiency is a waste for everyone. We need a deadline.

FYI :

You can check it, but you don't have to worry about giving it to the wrong person or team, because only the owner of the asset will always bargain with you for the fee.

On 11/30/2020 21:03, [michael@tether.to](mailto:michael@tether.to) wrote:

Mr. Yefei,

We can't give you a deadline because we don't know how long the process will take. Unfortunately, that's the nature of investigations. We'll continue to be reasonably efficient with our investigation.

The fee you're referencing has no bearing on or relevance to the investigation. As noted, our singular focus right now is to definitively determine the lawful owner of the frozen tether.

The litigation documents in the US don't establish your right to the tether assets. As we've discussed, the tether isn't mentioned in the US filings. The freezing order from China also doesn't establish your rights to the property. The order simply asks for the asset to be frozen. Respectfully, you overstating the facts isn't helpful; neither is you trying to create pressure or deadlines.

As I said in my last email, I will come back to you this week with an update, and likely some additional questions and requests.

Thanks

Michael

From: JCDZ <<mailto:jcdz667@163.com>> [jcdz667@163.com](mailto:jcdz667@163.com)>  
Sent: November 30, 2020 10:19 AM  
To: <mailto:michael@tether.to> [michael@tether.to](mailto:michael@tether.to)  
Cc: <mailto:ryan@tether.to> [ryan@tether.to](mailto:ryan@tether.to); <mailto:paolo@bitfinex.com> [paolo@bitfinex.com](mailto:paolo@bitfinex.com); <mailto:leo@tether.to> [leo@tether.to](mailto:leo@tether.to)  
Subject: Re: Re: Re:Re: Re: [Urgent!] USDT Got Stolen, Help Needed to freezing usdt token[#739807]

Hi Michael

Thank you very much for your response and support, and please understand that the company is operating under difficult conditions.

I provided the Chinese police freezing order to provide more proof of ownership of the property (other than providing a private key signature), and I understand your concern that the freezing order does not explicitly state that the asset is ours.

If required, the Chinese police can issue an additional statement to prove that this asset belongs to us.

We could both sign a formal agreement that any risks associated with the digital assets at the above addresses will be taken by us as a company and tether will be exempt from liability.

In the meantime, we are always waiting for updates and questions from you and will respond as soon as we can. Thanks!

在 2020-12-05 04:22:20, [michael@tether.to](mailto:michael@tether.to) <<mailto:michael@tether.to>> 写道:

Mr. Yefei,

I'm writing to follow up on previous emails. Your ongoing patience is appreciated. I trust you understand that in addition to the technology side, there are a number of legal issues we need to carefully navigate. Again, our intention is to ensure we accurately determine the proper lawful owner.

As you can also appreciate, I need to confirm your identify. Please send me a "selfie" photo of you holding your passport open to the passport photo page in one hand and a piece of paper in the other hand with today's date. Please also send me, separately, a clear picture of the front cover of your passport and the full passport photo page.

I note your confirmation that you're the legal representative. Are you a licensed lawyer? If yes, please advise where.

Beijing Jiayu Xintian Trading Co., Ltd. ("BJXTC") appears to be a registered company with a business scope to sell clothes and textile. Can you please explain this?

What is BJXTC's ownership structure? In other words, who owns BJXTC?

Have the owners of BJXTC been informed of the particulars of the reported hack?

The crypto assets that were stolen, is my understanding correct that they belonged to two BJXTC customers for which BJXTC was the custodian? Please confirm or clarify.

There's an individual named "Eric" (Chinese: Ding Haisheng) communicating with Ryan of Tether. Who is Eric, what's his title and company authorization?

Please provide me a detailed update on efforts to identify and prosecute the hackers.

Thanks

Michael

From: JCDZ <<<mailto:jcdz667@163.com>> [jcdz667@163.com](mailto:jcdz667@163.com)>  
Sent: December 8, 2020 10:17 AM  
To: <<mailto:michael@tether.to>> [michael@tether.to](mailto:michael@tether.to)  
Cc: <<mailto:ryan@tether.to>> [ryan@tether.to](mailto:ryan@tether.to); <<mailto:paolo@bitfinex.com>>  
[paolo@bitfinex.com](mailto:paolo@bitfinex.com); <<mailto:leo@tether.to>> [leo@tether.to](mailto:leo@tether.to)  
Subject: Re:RE: Re: Re:Re: Re: [Urgent!] USDT Got Stolen, Help Needed to freezing  
usdt token[#739807]

Dear Michael,

Thank you very much for your support and help. We appreciate your professional and serious working style. We are very actively cooperating with you to reduce any risk of confirming digital assets to zero as much as possible.

I will answer your concerns one by one in this email. If you feel there is anything that needs to be added, please let me know as soon as possible. If you are worried that the hackers will trouble you, our company can sign relevant agreements with your company to transfer all potential asset and legal risks to our company.

This incident has caused tremendous pressure on our company and our clients. We hope to recover the loss as soon as possible, before Christmas hopefully.

Tether team has made great contributions to the development of the blockchain industry. And now you quickly froze the illegal gains from hackers and returned them to the victims, which shows your sense of responsibility. We appreciate it so much.

1. I have performed my identity verification in accordance with your requirements. Photo of me holding my passport and the date “selfie” and photos of my passport “passport” sent to you as attachments.
2. The description or communication was wrong, please forgive me. I am the legal representative of the company, not a lawyer. I am the legal representative of BJXTC. The the business license issued by the Chinese government has my name as the legal representative, which has nothing to do with a lawyer. There is a business license photo in the attachment.
3. In fact, the company does not have clothing and textile businesses now. It is legal and normal for these contents to appear in the business scope. This part is a description of company’s business. People write business scope very broadly when creating a company. These businesses do not necessarily happen. In addition, let

me explain why there is no business description about digital currency. The digital asset management business is an emerging business, so there are no detailed regulatory regulations in Chinese law currently. Therefore, when we wanted to do this business, we decided to use this company to carry out the business without updating the business scope. We will not update these content in a short time.

4. In terms of legal and actual business control, BJXTC belongs to me, because I am the legal representative and CEO of this company. In terms of shares, this company is 100% owned by Kushen. But Kushen is only an investor and does not participate in the company's business operations.

5. Yes, we notified the shareholders and clients as soon as possible. We trust each other and everyone provided support and help in the face of crisis. In addition, I am also a shareholder of Kushen Company.

6. In fact, the stolen digital assets belonged to BJXTC. After assets were stolen, BJXTC needed to compensate the clients accordingly. Our company provides asset custody services and financial derivative services, such as digital currency lending, for enterprises. Clients deposit assets with us, and we can use them. These digital assets came from these two clients, but the ownership belongs to BJXTC. If you think it is necessary, we can show you the certificate of the ownership of these assets issued by a third-party appraisal agency, and the asset ownership certificate issued by the police office which accepted the case, or you can directly contact police officer Li Boyang via email or phone for verification.

7. Eric is the CSO we hired after this case happened. He is now handling the case on behalf of BJXTC. Please provide support and help as much as possible. Thank you again.

8. The suspect has been arrested for more than a month. We suspect that he has accomplices, and they are still at large. Recently we have taken the following actions:

(1) Continue to prosecute in the United States, and obtain server information used by hackers;

(2) With the support of Circle CEO, we have frozen USDC, but unfortunately the result was not satisfactory. On the day of applying for a freezing order from US court, in according to USDC's freezing strategy, the hacker switched USDC to DAI;

(3) The suspect switched to DAI through the CURVE FINANCE platform. The CEO of this platform is helping us with providing more evidence, and continually monitoring DAI;

(4) The Chinese police have arrested the suspect. It is kept confidential since it is a criminal case. The police did not tell us more details. But one thing is certain, the evidence for arresting the suspect is very sufficient.

On 12/12/2020 04:05, [michael@tether.to](mailto:michael@tether.to) wrote:

Mr. Yefei,

Thank you for your email and responses therein, they are appreciated.

You make mention of “our company can sign relevant agreements with your company to transfer all potential asset and legal risk to our company”. As you can appreciate, a guarantee or indemnity is only as strong as the individual or entity backing in, meaning if your company doesn’t have the financial resources to stand behind the guarantee or indemnity, it’s of no value. Choosing a random, simple figure merely for the sake of discussion, if we were discussing 10 million tether being sent to your company, would your company be able to post security or a bond in that amount for a defined period of time to ensure any risk issues are covered?

Is my understanding correct that “Kushen” is the 100% owner of BJXTC? Can you please provide Kushen’s full legal name?

I’m pleased to read that a suspect has been arrested. That said, the only way police would arrest someone in a case like this is if they are provided a comprehensive evidence file. Can you please send me exactly what you provided to the police, the name of the suspect and how they determined to arrest him?

You made reference to USDC being frozen. How much was frozen? And you also made reference to applying for a freezing order from a US court. Can you please provide me the case name, number and court in which it was filed?

As I’ve explained before, we’ll continue to work reasonably quickly on this matter and we regret what happened to your company if the events transpired as you report. That said, I can’t make any assurances about when the investigation and broader process will be completed.

Thanks

Michael

在 2020-12-13 17:52:34, "JCDZ" <<<mailto:jcdz667@163.com>>>  
[jcdz667@163.com](mailto:jcdz667@163.com)> 写道:

Hi Michael

Thank you for your support. In fact, Tether once proposed a plan to us, which is to freeze 20% of the reissuance as fee. We can't pay the cost, so we didn't execute it immediately. Could the proportion be reduced to 10%? In addition, if the risk does not occur within the specified time, or we find the private key, could the fee be returned to us? I think this is a solution. Can we organize a meeting to discuss the solution? And please understand that our company is in a difficult period. Thanks a lot!

签名由 网易邮箱大师 定制  
On 11/3/2020 05:51, Leonardo Real<[leo@tether.to](mailto:leo@tether.to)> wrote:

Hello,

Apologies for the delay. In order for Tether to consider the reissuance of any USDT to you, your company will have to become a verified Tether user at [app.tether.to](http://app.tether.to). As well your company will have to sign an agreement that outlines the terms of the reissuance including the reissuance schedule and fee. The fee is 20% of the amount that was frozen. We will prepare the agreement and send it to you within 1 week.

In the meantime it is recommended that you begin the verification process at [app.tether.to](http://app.tether.to). Please note that you are required to pay a 150USDT verification fee which is returned to you upon successful verification. The verification portal is unlocked once the fee is paid. Attached is a summary of the documents and questionnaire required to complete verification.

Please let me know if you have any questions or concernsdongjie

Regards  
Leonardo

Feedbacks to your questions as follows:

1. Kushen holds 100% holdings. Tether cannot return the stolen digital assets to Kushen because they are not involved in operations, but are just shareholders. The full name of Kushen is Beijing ColdLar Information Technology Co., Ltd. .  
<http://coldlar.com/>
2. The suspect Li Hu was arrested November 13 9: 00 AM BeiJing Time. Our case materials are for your reference. We only know that the police targeted the suspect based on the Trojan horse information. If necessary, please check with police officer Li Boyang.
- 3、 Sorry for the miscommunication. We did not initiate a lawsuit. We wanted to do so. But the hacker had changed USDC into DAI so it was meaningless to initiate a lawsuit, so we did not initiate a lawsuit.

The following is a screenshot of the email from USDC CEO Jallaire introducing the CURVE FINANCE platform CEO Michael for help after the hacker changed USDC to DAI. I hide the parts that involve privacy.



在 2020-12-17 21:48:30, "JCDZ" <<mailto:jcdz667@163.com>>  
[jcdz667@163.com](mailto:jcdz667@163.com)> 写道:

Hi Michael

Could you give me a reply ? thanks !

From: JCDZ <[jcdz667@163.com](mailto:jcdz667@163.com) <<mailto:jcdz667@163.com>> >  
Sent: December 18, 2020 2:00 AM  
To: [michael@tether.to](mailto:michael@tether.to) <<mailto:michael@tether.to>> ; [leo@tether.to](mailto:leo@tether.to) <<mailto:leo@tether.to>>  
Cc: [paolo@bitfinex.com](mailto:paolo@bitfinex.com) <<mailto:paolo@bitfinex.com>>  
Subject: Re:Re:Fw: [Urgent!] USDT Got Stolen, Help Needed to freezing usdt token[#739807]

Dear Michael and leo ,

Would you please provide an agreement according to Leo's email? Then we would communicate and confirm on this agreement, and hopefully we could get this issue solved as soon as possible.

In the meantime, if you have any other concerns or anything that you need us to provide, please feel free to let me know. I will do my best to cooperate.

Lastly, the Christmas is around the corner. I want to thank Tether, especially you, Paolo and Leo for your work and support to us as always. Merry Christmas!!

Best regards,  
Yefei

签名由 [网易邮箱大师](#) 定制

On 11/3/2020 05:51, Leonardo Real <[leo@tether.to](mailto:leo@tether.to)> wrote:

Hello,

Apologies for the delay. In order for Tether to consider the reissuance of any USDT to you, your company will have to become a verified Tether user at [app.tether.to](https://app.tether.to). As well your company will have to sign an agreement that outlines the terms of the reissuance including the reissuance schedule and fee. The fee is 20% of the amount that was frozen. We will prepare the agreement and send it to you within 1 week.

In the meantime it is recommended that you begin the verification process at [app.tether.to](https://app.tether.to). Please note that you are required to pay a 150USDT verification fee which is returned to you upon successful verification. The verification portal is unlocked once the fee is paid. Attached is a summary of the documents and questionnaire required to complete verification.

Please let me know if you have any questions or concernsdongjie

Regards  
Leonardo

From: [michael@tether.to](mailto:michael@tether.to) <<mailto:michael@tether.to>> <[michael@tether.to](mailto:michael@tether.to)>  
<<mailto:michael@tether.to>> >  
Sent: Friday, December 18, 2020 10:36 AM  
To: 'JCDZ' <[jcdz667@163.com](mailto:jcdz667@163.com) <<mailto:jcdz667@163.com>> >  
Cc: [paolo@bitfinex.com](mailto:paolo@bitfinex.com) <<mailto:paolo@bitfinex.com>> ; [leo@tether.to](mailto:leo@tether.to)  
<<mailto:leo@tether.to>>  
Subject: RE: Re:Fw: [Urgent!] USDT Got Stolen, Help Needed to freezing usdt  
token[#739807]

Mr. Yefei,

Thank you for your latest email. In the future, please give me at least a week before following up (your below email was the second follow up in a few days). Since we don't have unlimited resources, we do our best to allocate them equitably between pending matters.

Please be reminded that our singular focus right now is to definitively determine the lawful owner of the frozen tether, not fees or costs.

I don't believe I received an answer to the following question from my last e-mail, and it's an important one. Choosing a random figure for the sake of discussions, if we're discussing \$10 million tether being sent to your company, would your company be able to post security or a bond in that amount for a defined period of time to ensure any risk issues are covered?

Who are the two clients that the digital assets came from and what are the amounts each of them is owed? Are there any other customers that deposited digital assets that were lost, besides them?

Thanks

Michael

From: JCDZ <jcdz667@163.com <mailto:jcdz667@163.com> >  
Sent: December 20, 2020 5:47 AM  
To: michael@tether.to <mailto:michael@tether.to> ; leo@tether.to <mailto:leo@tether.to>  
Cc: paolo@bitfinex.com <mailto:paolo@bitfinex.com>  
Subject: Re: [Urgent!] USDT Got Stolen, Help Needed to freezing usdt token[#739807]

Hi Michael

As to the figure \$10 million tether and the bond you mentioned, it is not quite clear for me. Our company is able to post a bond according to Tether's requirement, as long as the bond is within reasonable proportion. Please provide us with an agreement with detailed and accurate terms on this issue, then we could communicate and confirm based on it.

Leo has sent me an email about the bond, in which he said the bond rate is 20% of the frozen amount, but it is too high for us. Our both parties still need to discuss and agree on a reasonable proportion.

签名由 网易邮箱大师 定制

On 11/3/2020 05:51, Leonardo Real <leo@tether.to> wrote:

Hello,

Apologies for the delay. In order for Tether to consider the reissuance of any USDT to you, your company will have to become a verified Tether user at [app.tether.to](http://app.tether.to). As well your company will have to sign an agreement that outlines the terms of the reissuance including the reissuance schedule and fee. The fee is 20% of the amount that was frozen. We will prepare the agreement and send it to you within 1 week.

In the meantime it is recommended that you begin the verification process at [app.tether.to](http://app.tether.to). Please note that you are required to pay a 150USDT verification fee which is returned to you upon successful verification. The verification portal is unlocked once the fee is paid. Attached is a summary of the documents and questionnaire required to complete verification.

Please let me know if you have any questions or concernsdongjie

Regards

Leonardo

Regarding your last question, yes, there are 2 clients indeed, and the clients required us to sign a confidentiality agreement with you to ensure that their business interests will not be lost. Therefore, we will provide the clients' information to you after we sign the confidentiality agreement with Tether. Thank you for your understanding!

Best regards,

YeFei

On 12/24/2020 08:49, [michael@tether.to](mailto:michael@tether.to) wrote:

Mr. Yefei,

As another reminder, our singular focus right now is to definitively determine the lawful owner of the frozen tether, not fees or costs. Leo isn't with the legal department, as you know. When this matter came across my desk and the particulars were further investigated, several legal issues were flagged as risk factors. These are the issues we're in the process of trying to work through.

You previously offered a guarantee or indemnity. I explained that a guarantee or indemnity are only as strong as the individual or entity backing it, meaning if your company doesn't have the financial resources to stand behind them, they're of no value. Please provide a clear answer: would your company be able to post a bond covering the amount sent to it for a defined period of time to ensure any risk issues are covered? Again, picking a round number for discussion purposes only, if 10 million tether were sent to your company, would you company be able to post a bond in that amount? If it is, that would be helpful to these discussions.

We can't bind ourselves to a confidentiality agreement right now. We would still like to understand who the two clients are so can include them in our discussions. If that's possible, please let us know.

Happy holidays

Michael

From: JCDZ <[jcdz667@163.com](mailto:jcdz667@163.com)>  
Sent: December 28, 2020 7:49 AM  
To: [michael@tether.to](mailto:michael@tether.to)  
Cc: [leo@tether.to](mailto:leo@tether.to); [paolo@bitfinex.com](mailto:paolo@bitfinex.com)  
Subject: Re: Re:Fw: [Urgent!] USDT Got Stolen, Help Needed to freezing usdt token[#739807]

Hi Michael

The stolen digital assets mainly belong to one of our big clients, whose company name is Bittok Technology Pte.Ltd, and they have about 50.2 million USDT of assets under custody. Another client has 1000eth under custody, which is not involved in the frozen assets under this discussion; therefore I will skip providing this client's information.

Please note that the above information is only valid for Tether's risk assessment in this case. Any other use must be approved by us in advance.

During one-month long email communication, we have shared all necessary information with you and have taken effective actions.

1. According to Tether's requirements, we verified the private key of the stolen address, which is very important. Technically, only the party who manages the asset can do this.
2. We provided Tether all the evidence of stolen assets, report documents, arrested suspect information, police contact information, etc.
3. Tether has confirmed the truth of this matter with the Chinese police twice.
4. We provided our company's business license and my KYC information;
5. We shared the filing information for retrieving the IP of the US hacker and the internal communication mail of USDC;
6. Now we provide our client information;

Please assess the risk and decide if it is necessary for us to post a bond based on the above information. We reckon that if the frozen tether can be directly returned to us or our client, maybe it is not necessary for us to post a bond. However, if Tether believes

that we still need to post a bond in spite of the fact that the frozen tether will be returned to our client, we hope Tether could provide us with the following information:

- What risk points are under concerning that the bond is supposed to secure?
- The exact amount of bond we need to provide for our entire frozen amount, and in what form we should make the payment?
- When will the bond be returned? And what are the conditions for return?
- It is better to discuss in the form of agreement, so as to communicate more efficiently.

What's more, I wonder do we need to pay Tether other fees besides the bond. If so, would you please give us an accurate payment amount and terms?

Best regards,

Yefei

From: <michael@tether.to>  
Date: 12/31/20, 9:46 AM  
To: "JCDZ" <jcdz667@163.com>  
CC: <leo@tether.to>, <paolo@bitfinex.com>

Mr. Yefei,

Thank you for your email and the further information therein.

There are several items in your email that I'm not in agreement with, but you'll appreciate it's not productive for us to debate those items.

Your questions regarding the bond are noted. I'll discuss the bond issue internally and circle back to further discuss the matter. Given the holidays, I anticipate following up the latter part of next week.

Thanks

Michael

# EXHIBIT 3

From: Attorney Xuan Gu <[gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>>  
<<mailto:gu@wewinllp.com><<mailto:gu@wewinllp.com>>>>  
Sent: Friday, June 4, 2021 5:29 PM  
To: [michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>  
<<mailto:michael@mjllaw.com><<mailto:michael@mjllaw.com>>>>  
Cc: [jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>  
<<mailto:jcdz667@163.com><<mailto:jcdz667@163.com>>>> ;  
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[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<<mailto:sahuja@dmablaw.com>>  
<<mailto:sahuja@dmablaw.com><<mailto:sahuja@dmablaw.com>>>> ;[michael@tether.to](mailto:michael@tether.to)  
<<mailto:michael@tether.to>> <<mailto:michael@tether.to><<mailto:michael@tether.to>>>> ;  
[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>  
<<mailto:leo@tether.to><<mailto:leo@tether.to>>>>  
Subject: Resumption of communications with Tether regarding retrieving the frozen USDT

Dear Mr. Lee,

My name is Vivian Gu, an attorney at WEWIN LAW FIRM LLP. Our law firm has been retained by our client “Beijing Jiayu Xintian Trading Co., Ltd.” (Jiayu Xintian) to resume communications with the Tether company. The previous attorney, Andy Liu, is no longer representing my client. My client's hope is that the resumption of communications with Tether will solve the existing problem. Here are some general points to consider regarding future communication:

1. The relationship between Jiayu Xintian and Tether is not hostile, and my client intends for a cooperative relationship. At the very beginning, Tether responded quickly to the requests of Jiayu Xintian and helped Jiayu Xintian freeze the 13.8 million USDT to avoid further loss to Jiayu Xintian. Since Tether is acting as the administrator of Tether USDT, Jiayu Xintian is seeking a way to find a solution with Tether to return the 13.8 million USDT.
2. Jiayu Xintian is the legitimate owner and holder of the frozen 13.8

million USDT. Jiayu Xintian will cooperate to meet further requirements from Tether (e.g. verify his ownership in Tether's App by submitting more information). We understand Tether, as an administrator of Tether USDT, has a procedure to verify the owner's identity and to proceed with the return of assets and Jiayu Xintian is willing to cooperate with this procedure. Please inform us if there are any additional specific requirements for Tether.

3. Tether is a well-known, large corporation in the world, and thus we believe that Tether must have a policy, standards, or criteria to process these requests from clients, especially regarding the freeze, unfreeze, or release of assets. We also believe that policy, standard or criteria should be transparent to the clients. We hope Tether will send us the related policies so that Jiayu Xintian may fulfill all necessary requirements.

Please understand that Jiayu Xintian is a victim in the theft of the Tether USDT case and has suffered harm as a result. Jiayu Xintian's goal for this stage is simple and reasonable - that is to reclaim the legitimate right of the stolen Tether USDT assets. With Tether's help, Jiayu Xintian has successfully frozen the 1.38 million USDT and we hope that with Tether's assistance Jiayu Xintian can also retrieve the frozen USDT assets as the legitimate owner.

Let us know if you have any questions. Thank you!

Best Regards

Vivian Gu

Founding & Managing Partner

Licensed in California State/ New York State/ Mainland China

<<http://www.wewinllp.com/><[www.wewinllp.com](https://www.google.com/url?q=https://www.google.com/url?q%3Dhttps://www.google.com/url?q%253Dhttps://www.wewinllp.com/%2526source%253Dgmail-imap%2526ust%253D1744193163000000%2526usg%253DAOvVaw3EvvVi2Eu5qVjpfCtwCWKx%26source%3Dgmail-imap%26ust%3D1747852114000000%26usg%3DAOvVaw0PH5Morwd2novA5qduwOXy&source=gmail-imap&ust=1747853484000000&usg=AOvVaw10ziAPr2y_cDOSKoLcwy-->><br/><a href=)<[20955 Pathfinder Rd, Ste 388, Diamond Bar, CA 91765](https://www.google.com/url?q=https://www.google.com/url?q%3Dhttps://www.google.com/url?q%253Dhttps://www.wewinllp.com/%2526source%253Dgmail-imap%2526ust%253D1744193163000000%2526usg%253DAOvVaw3ayLxf7p7WEzLyxDxN3Y1i%26source%3Dgmail-imap%26ust%3D1747852114000000%26usg%3DAOvVaw1qI7WHGV3JMmQUber3TCMB&source=gmail-imap&ust=1747853484000000&usg=AOvVaw0XBGUe1YBm5jDfYGy39y9L></a>></p></div><div data-bbox=)

2400 Barranca Pkwy, Suite 260, Irvine CA 92606  
Tel:(909) 468-1691 Fax:(909) 468-2691

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gn=sig-email&utm\_content=emailclient&utm\_term=icon>

Virus-free.

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Leonardo Real

Chief Compliance Officer

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Subject: RE: Resumption of communications with Tether regarding retrieving  
the frozen USDT

Vivian,

Thanks for your below e-mail. As you know, it's been quite some time since we've heard from your group and I believe there were a series of pending questions posed to prior counsel that we didn't hear back on. I'll look back at previous correspondence and then circle back to follow up on this e-mail, which I estimate will be the first part of next week.

Michael

From: Attorney Xuan Gu <[gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>> <<mailto:gu@wewinllp.com><<mailto:gu@wewinllp.com>>>> >  
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Subject: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Dear Michael,

Thanks for your message. Look forward to the next move of our communication.

Best Regards

Vivian Gu

Founding & Managing Partner

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Subject: RE: Resumption of communications with Tether regarding retrieving  
the frozen USDT

Vivian,

Further to my last e-mail, below in red font are the questions posed to your client's prior counsel more than three months ago for which we've not yet received answers. Please advise on each of the questions. Thanks.

3. As part of the process of coming up to speed on this matter, I'd appreciate you addressing the following questions concerning your client's California filings:

a. You filed two lawsuits with verified complaints in the United States District Court for the Central District of California. In the complaints, you claimed the court has jurisdiction over the "John Doe" Defendant(s) who allegedly committed trade secret misappropriation and other computer related crimes. You applied for expedited discovery in both matters, each application was granted and three subpoenas were issued to third party companies. What's your basis for believing that the Defendant was or is located within the district? On what ground(s) is there jurisdiction for the Defendant in the central district?

b. Why was the first complaint dismissed? What development(s) led to

the second complaint being filed approximately one month after the first complaint was dismissed?

c. Why did you file a “John Doe” complaint in December 2020 when your client reported the thief being arrested and found criminally liable in November 2020? Relatedly, why is there no mention of the arrest in the verified complaint filed in December 2020?

d. Why is there not so much as a whisper in any of the court filings re: the roughly \$50M in crypto that was allegedly stolen? Further to the same, why is there no mention of the roughly 13.8M USDT that my client has frozen?

4. To date, has your client filed any sort of civil action against the alleged fraudster(s) specifically addressing the theft of the crypto assets anywhere in the world? If yes, please advise as to where and provide us a copy of the claim(s). If not, why hasn't any such action been filed?

...

6. Do you have any updates concerning the criminal prosecution in China? If so, please advise.

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Subject: RE: Resumption of communications with Tether regarding retrieving  
the frozen USDT

Dear Michael,

Regarding the civil lawsuits filed in the Central District Court of California, our client will retain another litigation attorney to handle this case who will answer your questions related. We will keep update the process. As to the criminal prosecution in China, the police in Beijing is still investigating the case, and we will let you know soon the newest update.

Meanwhile, as we mentioned in the first email on 4 June 2021, our client is seeking to find a non-litigation solution with Tether regarding returning the 13.8 million USTD. We understand the fact that:

1. Tether had similar other clients who have got the returned USDT and our client does not know why there are different solutions;
2. At very beginning, Tether also agreed to return to our client the frozen USDT if our client pay some fees;
3. Later Tether changed the solution and told our client to freeze the USDT for one year.

As the legitimate owner and holder of the frozen 13.8 million USDT, our client is trying to understand under what standards or policies that Tether made the decisions and trying to cooperate. Therefore, we will appreciate if Tether answers the following questions:

1. that under what policies, standards, or criteria for Tether to process these requests from clients, especially regarding the freeze, unfreeze, or release of assets. We also believe that policy, standard or criteria should be transparent to the clients.
2. that Tether can give clear procedural requirements to our client for returning the frozen USDT, e.g. verify ownership in Tether's App by submitting more information, put some bond fees or process fees etc.

For returning the frozen USDT, our client will cooperate with Tether's procedure for returning. At the same time, we hope Tether can understand that our client's legitimate right and help our client to solve this problem. Thank you!

Best Regards

Vivian Gu

Founding & Managing Partner

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Subject: RE: Resumption of communications with Tether regarding retrieving  
the frozen USDT

Vivian,

We'll need the answers to the litigation questions as a matter of first priority. As noted in my last e-mail, these questions – which are basic ones – have been left unanswered for more than three months and they touch upon several points of concern. I look forward to receiving the answers in the near future.

Also, my understanding is your client isn't a customer of Tether. If your understanding is different, please let me know.

Michael

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Subject: RE: Resumption of communications with Tether regarding retrieving  
the frozen USDT

Dear Michael,

It's a little bit late that we reply your latest email because it took some time to acquire information from the client, the court, also the police officers in Beijing about the newest update. The followings are some information related to your questions and the newest update about the investigation:

1. We have inquired and had knowledge that the two civil cases Jiayu Xintian filed in District Court California “

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ding\_Co,\_Ltd\_v\_John\_Doe> Beijing Jiayu Xintian Trading Co., Ltd. v. John Doe" were dismissed without prejudice. The second one was dismissed in June 2021 for not being able to serve any defendant. The reason for suing John

Doe is that until the case was dismissed, the plaintiff was not able to lock the suspect who stole the USTD.

2. The reason the plaintiff chose to sue in Southern California, is that through investigation, the IP address used for stealing was found in Southern California. That is, the stealing action was in Southern California.

3. Meanwhile, the civil case litigation that Jiayu Xintian made effort had making progress for lock a new suspect named Wang Zhi:

a. Through the court procedure, several related companies have been required to produce evidences. Through those evidences (there were many clues and evidences were found through the court ex-parte procedure and Beijing police officers' investigation, we only attached some, please see the attached), a new suspect named Wang Zhi was found and locked. Now the Beijing police officers is investigating and collecting evidences against Wang Zhi.

b. After the police officers complete the investigation and evidences collection, Jiayu Xintian may take criminal action and/or civil action against the suspect Wang Zhi.

4. Despite all the efforts Jiayu Xintian has made, the return USTD shall be processed at the same time. Jiayu Xintian has submitted the verification Key with Tether, and Tether recognized it. Due to the particularity of cryptocurrencies, since Jiayu Xintian hold the Key and verified the Key with Tether, Jiayu Xintian should have right to negotiate with Tether to return the USTD.

We have requested numerous times to coordinate with Tether to find a negotiated solution for the return of the USTD. We hope that Tether

considers and responds to our request, that is, to inform Jiayu Xintian the standards and procedures for the return of USTD so that Jiayu Xintian can take the next step to achieve the goal for the return.

Best Regards

Vivian Gu

Founding & Managing Partner

Licensed in California State/ New York State/ Mainland China

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Subject: RE: Resumption of communications with Tether regarding retrieving  
the frozen USDT

Vivian,

These questions were posed in an e-mail to your client's  
prior counsel on 3/22/21 – nearly 4.5 months ago:

3. As part of the process of coming up to speed on this matter, I'd appreciate you addressing the following questions concerning your client's California filings:
  - a. You filed two lawsuits with verified complaints in the United States District Court for the Central District of California. In the complaints, you claimed the court has jurisdiction over the "John Doe" Defendant(s) who allegedly committed trade secret misappropriation and other computer related crimes. You applied for expedited discovery in both matters, each application was granted and three subpoenas were issued to third party companies. What's your basis for believing that the Defendant was or is located within the district? On what ground(s) is there jurisdiction for the Defendant in the central district?

Already answered. The IP for stealing is found in southern California.

- b. Why was the first complaint dismissed? What development(s) led to the second complaint being filed approximately one month after the first

complaint was dismissed?

The reason that the first complaint was dismissed because Jiayu Xintian and the previous attorney Andy Liu have discrepancy in attorney fee. Afterward, they solved the problem and refile the case. The two cases were the same.

c. Why did you file a “John Doe” complaint in December 2020 when your client reported the thief being arrested and found criminally liable in November 2020? Relatedly, why is there no mention of the arrest in the verified complaint filed in December 2020?

At very beginning of filing case in central district court, the man name “Li Hu” was just arrested and the police officer in Beijing had not enough evidence to make sure this guy is the thief. The second reason to file against “John Doe” is, the goal of Jiayu Xintian is to acquire more clues and evidences with the help of the court, e.g. subpoena some related parties. The third reason is, the police officers suspected this guy has accomplices, not mention of the arrest is to prevent his accomplices acquire open information.

d. Why is there not so much as a whisper in any of the court filings re: the roughly \$50M in crypto that was allegedly stolen? Further to the same, why is there no mention of the roughly 13.8M USD that my client has frozen?

As mentioned in answer c, the open information in central district court can be inquired easily, and in this stage, Jiayu Xintian did not want the accomplices acquire too much information through open files which could affect the investigation of police officers in Beijing. Also, as Jiayu Xintian’s goal is to acquire more evidences through the help of the central district court, the possible media reports and the open files concerning such a large sum could have bad impact to the police officers’ investigation, also have bad influence to the market and reputation of the company. Considering all the factors, Jiayu Xintian chose to not reveal the sum in the complaint, but as long as the investigation of police officers making significant progress, there is no problem for Jiayu Xintian to clarify the sum of total stolen crypto and the frozen sum in the later legal actions.

4. To date, has your client filed any sort of civil action against the alleged fraudster(s) specifically addressing the theft of the crypto assets anywhere in the world? If yes, please advise as to where and provide us a copy of the claim(s). If not, why hasn’t any such action been filed?

Actually, the case filed in central district court of California against “John Doe” was a civil action. Jiayu Xintian intended to file civil action in China too after the criminal investigation is finished and police officers transfer the case to the prosecutor’s office. In China, the civil case must file after the criminal procedure is finished. Therefore, Jiayu Xintian will not rule out any possibility to sue in the U.S and in China for defending its legitimate right in the crypto.

...

6. Do you have any updates concerning the [initial] criminal prosecution in China? If so, please advise.

In the latest email, the updated information about the criminal prosecution in China is already provided. Please check.

The questions in “3(a)” have been answered to some degree, but the balance of the above questions haven’t been, which is troubling to say the least. My client needs feedback on the questions in the noted sections – please advise without further delay. Thank you.

Michael

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Subject: RE: Resumption of communications with Tether regarding retrieving  
the frozen USDT

Michael,

It is surprised that we provided the newest update to the case but you still focus on the dismissed case in the central district. Actually the function of the dismissed civil case against “John Doe” is to acquire more clues and evidences for the ongoing investigation in Beijing.

Meanwhile, I talked to Jiayu Xintian, they provided the answers to your questions, please see the answers below your questions.

We look forward to the next move for solving this case.

顺颂商祺 Best Regards

顾璇律师 Vivian Gu

创始&管理合伙人 Founding & Managing Partner

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Subject: RE: Resumption of communications with Tether regarding retrieving  
the frozen USDT

Vivian,

Yes, we're paying attention to the two dismissed cases filed in California federal court, including because the narratives in both verified complaints don't bear any substantive resemblance to the information we've been provided. The first attachment is the verified complaint your client filed on 6/22/20. Do you see any mention of ~\$50M in crypto being stolen or any details related thereto in the 21-page complaint? I don't. The second attachment is the verified complaint your client filed on 12/10/20. There's one standalone sentence stating that a certain e-mail address "was used by Defendant John Doe to transfer cryptocurrencies owned by Plaintiff and its customers to an unknown account without authorization". Do you see any other details regarding the illicit transfer or any related details anywhere in the 27-page complaint? I don't. What I do see in both complaints is allegations of the Defendant accessing computers without authorization to misappropriate "confidential and proprietary ... material and trade secrets", along with many paragraphs of factual allegations that are off-point to the issues we're discussing.

As to the concern about accomplices or other bad actors obtaining information from the California filings, your client could've

simply filed a motion to seal the files.

Is my understanding of your feedback correct that a civil action against the suspects in China can only proceed after the criminal process has fully completed (but not before)? What's the updated time frame for the criminal proceedings to be completed?

Michael

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Subject: RE: Resumption of communications with Tether regarding retrieving  
the frozen USDT

Michael,

We got your point that you think the compliants don't bear the resemblance to the information that communicated with Tether. Actually, as we mentioned, this case against John Doe is a tool for digging out more clues and evidence under the then-existing situation, not a result. Since the previous attorney does not represent Jiayu Xintian anymore, and it was the first time for Jiayu Xintian to file suit in the US, there were lots of procedures Jiayu Xintian was not able to find out e.g. filing a motion to seal the files etc. In a sum, it's hard for our client to tell the rights and the wrongs in this dismissed case and since the case is dismissed, our client can do nothing about it.

Regarding the process in China, yes, normally the civil action can only proceed after the criminal process, at least need to file it after the case is proceeded by prosecutors for criminal charge. Now the police officers are

in investigation of the new suspect with the new clues and evidence provided by the client, and then the case will be submitted to the prosecutors for criminal process. The stolen facts and information Jiayu Xintian can obtain from the Chinese police officers, and if Tether needs it, Jiayu Xintian will proceed to acquire it.

We really hope both sides can focus on the future move. Jiayu Xintian need to know if it is possible to solve the returning the USTD problem by negotiation with Tether since it has spent over one year to talk to Tether about this issue. It is very crucial to Jiayu Xintian. Jiayu Xintian believes that all the information provided to Tether is accurate and Tether has already verified the key with Jiayu Xintian. Tether may clearly bring out the conditions for returning the USTD so that Jiayu Xintian may evaluate and meet the conditions.

顺颂商祺 Best Regards

顾璇律师 Vivian Gu

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Subject: Re:RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Hi Michael,

It has been almost two weeks since the last email we sent. Can you discuss with Tether about the possible solution and give us a response? Thanks!

顾璇律师 Vivian Gu

创始&管理合伙人 Founding & Managing Partner

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Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Vivian,

Referring to your e-mail from Friday, 8/13, politely, your response is evasive and makes little sense. For example:

. “We got your point that you think the compliants [sic] don’t bear the resemblance to the information that communicated with Tether.” What’s represented in the complaints bears no resemblance to what’s been reported to Tether – none. To the contrary, it appears your client purposefully omitted material facts in its court filings and otherwise wasn’t forthright or honest with the court. Your efforts to casually sweep these serious issues under the carpet aren’t well received.

. “Actually, as we mentioned, this case against John Doe is a tool for digging out more clues and evidence under the then-existing situation, not a result.” This doesn’t explain why two verified complaints didn’t make any reference to the reported theft. Whether the John Doe complaints were for evidence gathering or otherwise, your client had an obligation to be forthright and honest with the court.

. “Since the previous attorney does not represent Jiayu Xintian anymore, and it was the first time for Jiayu Xintian to file suit in the US, there were lots of procedures Jiayu Xintian was not able to find out e.g. filing a motion to seal the files etc.” Judging from the verified complaints and related filings in the two matters, your client’s prior counsel was competent and intelligent. I have a difficult time believing he wasn’t aware of basic motion to seal options.

As to the criminal proceedings against two suspects in China, when do you expect both matters will be fully/finally adjudicated?

My instructing counsel is on vacation through next week, so my further response will be delayed until his return. At that time I will pick up on your request for possible forward-moving next steps.

Last, I understand your client reached out to my client to discuss this matter. I’ve instructed my client not to respond to any such communications, as all discussions at this point are to be limited to legal counsel. I trust you’ll instruct your client accordingly.

Michael

From: Attorney Xuan Gu <<<mailto:gu@wewinllp.com><<mailto:gu@wewinllp.com>>>  
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Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Dear Michael,

I did not represent the dismissed lawsuit. Meanwhile, Jiayu Xintian mentioned to me that at very beginning, they had very little clues about proceed the lawsuit, and up to early June 2021, Jiayu Xintian was still open to amend the information with the court, including prepare to amend the complaint. Unfortunately, the court dismissed the case for the reason of unable to serve the defendant. I don't think it is fair to draw a conclusion that Jiayu Xintian is dishonest because Jiayu Xintian was trying to get more clues and aiming to solve the problem.

As to the criminal proceedings, the first suspect's accusation has been dropped by the police officer, and the second suspect is under investigation. It's hard to predict the time frame for police officers, but Jiayu Xintian will keep eyes on it and keep update to Tether.

We look forward to talk after the instructing counsel is available. I agree with you that the clients may talk through attorneys, including finding a proper way to negotiate to solve this issue smoothly.

顺颂商祺 Best Regards

顾璇律师 Vivian Gu

创始&管理合伙人 Founding & Managing Partner

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Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Vivian,

Further to below e-mails:

1. Respectfully, continuing to make excuses instead for highly misleading filings rather than forthrightly acknowledging basic facts isn't helping matters. Again, what's represented in the verified complaints filed w/ the California federal court bears no resemblance whatsoever to what's been reported to Tether. Your client was fully aware of the alleged facts concerning the crypto theft prior to both verified complaints being filed. To me, it appears obvious that your client designedly chose not to disclose or discuss centrally relevant alleged facts concerning a ~\$50M theft. The reasons for the apparent purposeful omission we can speculate about, but the bottom line is this (along w/ other issues) gives my client serious pause as to the veracity, accuracy and completeness of your client's other representations.

2. Having said the above, my client advises that it's willing to

advance discussions to a possible commercial agreement that would include, and not be limited to, the following overarching terms:

. A full indemnity would need to be provided by your client. If your client doesn't have the financial strength/standing to fully back the indemnity, as determined by Tether, a parent and/or affiliate company that does will also need to sign the indemnity.

. Your client would need to source a highly reputable and mutually acceptable bond or surety company to fully back the commercial agreement to ensure my client is fully covered from all risks and potential risks/eventualities. Among the covered risks that would need to be fully integrated into a complete agreement: (a) if a third party makes a claim to the assets, successful or otherwise, Tether's legal fees, related costs and any resulting damages would be fully covered, and (b) any successful claims of a third party would also need to be covered so the third party is made whole.

. Your client has previously advised that the stolen assets belong to a small handful of its customers. Those customers would need to sign off on the agreement to ensure they are agreeable to the same.

. To better ensure we have the full list of impacted customers signing off on the agreement, we'll need a certification from you, as a licensed attorney, that all impacted customers have been fully disclosed.

. There will be a 20% reissuance fee on all reissued tether.

. Reissuance of tether would be on a to be determined timeline that will likely take in excess of one year given the amount at issue and circumstances of this matter. Reissuances would be done on a quarterly basis.

3. As you're seeing above, and I trust can appreciate, my client wants to make sure its interests and the interests of legitimate third party claimants, if any, are fully protected and provided for. If this situation is, in fact, as your client has described, then there shouldn't be any issue w/ terms and conditions addressing complications that wouldn't come into play.

4. While this probably goes without saying, in the interest of removing any/all doubt, please note that the above points are merely for discussion and not to be taken as a commitment of any kind from Tether. Further to the same, there's nothing legally binding unless or until there is an agreement(s) in writing executed by all signing parties. That said, we look forward to your positive feedback on the above points, including an outline of your client's game plan for addressing the bond/surety company requirement, so we can productively move our discussions forward.

5. Re: the proceedings in China, why was the accusation dropped against the first accused? Have formal charges been filed against the second accused?

Michael



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Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Dear Michael,

Jiayu Xintian and their clients had discussed the possible solution that you sent to us. Please see the response below and let me know your client's feedback:

. A full indemnity would need to be provided by your client. If your client doesn't have the financial strength/standing to fully back the indemnity, as determined by Tether, a parent and/or affiliate company that does will also need to sign the indemnity.

Acceptable. An indemnity clause can be integrated into the agreement and Jiayu Xintian's affiliate companies can also sign the indemnity clause/contract.

. Your client would need to source a highly reputable and mutually acceptable bond or surety company to fully back the commercial agreement to ensure my client is fully covered from all risks and potential risks/eventualities. Among the covered risks that would need to be fully integrated into a complete agreement: (a) if a third party makes a claim to the assets, successful or otherwise, Tether's legal fees, related costs and any resulting damages would be fully covered, and (b) any successful claims of a third party would also need to be covered so the third party is made whole.

It is not practical in China and in this industry to source a bond or surety company. Jiayu Xintian, its clients and its affiliate companies can all fully ensure and guarantee the above-mentioned (a) and (b) will not happen or ensure to cover Tether's loss in any scenario and that's quite a commitment to Tether. Instead of the surety company, Jiayu Xintian and its clients can integrate (a) and (b) into the agreement to take the responsibility.

. Your client has previously advised that the stolen assets belong to a small handful of its customers. Those customers would need to sign off on the agreement to ensure they are agreeable to the same.

Acceptable. The involved clients will sign off on the agreement.

. To better ensure we have the full list of impacted customers signing off on the agreement, we'll need a certification from you, as a licensed attorney, that all impacted customers have been fully disclosed.

Acceptable. A certification can be issued from me.

. There will be a 20% reissuance fee on all reissued tether.

Acceptable.

. Reissuance of tether would be on a to be determined timeline that will likely take in excess of one year given the amount at issue and circumstances of this matter. Reissuances would be done on a quarterly basis.

My clients think one year period is too long. Can the reissuances be done in fewer times and in a shorter period?

顺颂商祺 Best Regards

顾璇律师 Vivian Gu

创始&管理合伙人 Founding & Managing Partner

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Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Vivian,

Where are we on the below matter, including as to your  
feedback on the items set forth in my last e-mail?

From: [gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>  
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Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Hi Michael,

Last week was the traditional Mid-Autumn festival in China and everybody was in a vacation. The management team of Jiayu Xintian and their clients just had meetings to discuss your proposed commercial agreement, we will get back to you very soon. Thanks!

顺颂商祺 Best Regards

顾璇律师 Vivian Gu

创始&管理合伙人 Founding & Managing Partner

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<<mailto:assis3@wewinllp.com><<mailto:assis3@wewinllp.com>>>>  
Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Hi Michael,

How do your client think about the response we sent last time? Thanks!

Vivian

From: MJL <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>  
<<mailto:michael@mjllaw.com><<mailto:michael@mjllaw.com>>> >  
Sent: Wednesday, October 6, 2021 4:30 AM  
To: [gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>  
<<mailto:gu@wewinllp.com><<mailto:gu@wewinllp.com>>>  
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<<mailto:assis3@wewinllp.com><<mailto:assis3@wewinllp.com>>>  
Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Vivian,

Thanks for your feedback, and we do appear to be making some progress.

Your comments about the bond or surety company are noted. However, we don't necessarily agree w/ your feedback and, by potentially waiving the bond requirement, Tether could be opening itself up to substantial exposure. That said, my client is tentatively open to exploring alternative options, but it would need to be satisfied with the financial solvency of the guarantors, both at the outset and throughout the reissuance process. To that end, two items:

1. Given that financial records are easy to fabricate, my client would need something along the lines of audited financial statements so we can more reliably assess the indemnifiers' ability to stand behind the sizable indemnity. Does JX, its clients and its affiliate companies have audited financial statements?

2. Does JX, its clients or its affiliates have the ability to secure/provide a bank guarantee?

As for the reissuance period, my client won't shorten it to a year or under given the unusually large amount of assets at issue here.

Last, re: the proceedings in China, why was the accusation dropped against the first accused? Have formal charges been filed against the second accused?

Michael

From: [gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>  
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Sent: Thursday, October 7, 2021 2:47 PM  
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Cc: 'jcdz667' <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>  
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[assis3@wewinllp.com](mailto:assis3@wewinllp.com)<<mailto:assis3@wewinllp.com>>  
<<mailto:assis3@wewinllp.com><<mailto:assis3@wewinllp.com>>>>  
Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Dear Michael,

Thank you for your response. Here are some comments regarding your questions:

1. Given that financial records are easy to fabricate, my client would need something along the lines of audited financial statements so we can more reliably assess the indemnifiers' ability to stand behind the sizable indemnity. Does JX, its clients and its affiliate companies have audited financial statements?

I talked to my client, that JX, its clients and its affiliate companies haven't done audited financial statements yet. It might take some time to do so.

2. Does JX, its clients or its affiliates have the ability to secure/provide a bank guarantee?

My client wants to know regarding the reissued USDT and the stolen USDT in this case, what amount of bank certificate/bank guarantee is appropriate? If it is ok for my client provide the signed digital assets they own like BTC, USDT, ETH as guarantee?

As for the reissuance period, my client won't shorten it to a year or under given the unusually large amount of assets at issue here.

My client accepts this.

Last, re: the proceedings in China, why was the accusation dropped against the first accused? Have formal charges been filed against the second accused?

I talked to my client, the criminal procedure basically is police officer's investigation--transfer to prosecutor--prosecutor investigate the evidence and decide if to proceed criminal lawsuit--if yes, court decision.

The first accusation dropped during the procedure of "prosecutor investigate the evidence and decide if to proceed criminal lawsuit". The prosecutor thinks there are somebody else as hacker than the first accused Hu Li may commit the crime.

The second accused Zhi Wang is under police officer investigation stage. He was found by the police officers by many clues provided to the police officer including the IP address and his identity found through evidences provided by my client. It may still take time for the police officer to finish more investigations.

Let me know how your client think about the up-mentioned comments. Thanks!

Vivian

From: MJL <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>> <<mailto:michael@mjllaw.com><<mailto:michael@mjllaw.com>>> >  
Sent: Tuesday, October 12, 2021 7:39 AM  
To: [gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>  
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Cc: 'jcdz667' <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>> >; 'sahuja'  
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[assis3@wewinllp.com](mailto:assis3@wewinllp.com)<<mailto:assis3@wewinllp.com>>  
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Rebecca Jack <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>> >  
<<mailto:rebecca.jack@bitfinex.com><<mailto:rebecca.jack@bitfinex.com>>> >  
Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Vivian,

Thanks for your feedback. Given the absence of audited financial statements and the reported difficulties w/ sourcing a reputable bond or surety company, let's explore the bank guarantee option. My client suggests a bank guarantee for 150% of the reissuance amount. If your client wants to provide the bank w/ collateral in the form of digital assets and the bank is willing to accept the same, that's certainly fine. That said, the bank would need to be reputable/financially sound and otherwise known to my client, so please let me know the bank being considered beforehand so I can confirm it's acceptable to my client.

Michael

From: "gu"<[gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>>  
<<mailto:gu@wewinllp.com><<mailto:gu@wewinllp.com>>>>;

Date: Wed, Oct 13, 2021 08:54 AM

To: "'MJL'"<[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>>  
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<<mailto:assis3@wewinllp.com><<mailto:assis3@wewinllp.com>>>>; "Rebecca  
Jack"<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>>  
<<mailto:rebecca.jack@bitfinex.com><<mailto:rebecca.jack@bitfinex.com>>>>;

Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Hi Michael,

Thank you for your message. My client need a few days to evaluate, and I  
will get back to you soon after they give me feedback. Thanks!

Vivian

From: 顾璇律师 <[gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>> >  
<<mailto:gu@wewinllp.com><<mailto:gu@wewinllp.com>>> >  
Sent: Monday, October 25, 2021 9:52 AM  
To: 'MJL' <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>> >  
<<mailto:michael@mjllaw.com><<mailto:michael@mjllaw.com>>> >  
Cc: jcdz667 <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>> >; sahuja  
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<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>> >  
<<mailto:rebecca.jack@bitfinex.com><<mailto:rebecca.jack@bitfinex.com>>> >  
Subject: Re:RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Hi Michael,

It took several days for my client to communicate and try to find a solution with the banks. My client contacted HSBC and several other banks in mainland China. Here is the difficulties for issuing a bank guarantee in mainland China:

1. The banks required a copy of the agreement between the parties for issuing bank guarantee. In our case, an agreement between my client and Tether shall be submitted.
2. The HSBC bank manager also mentioned even with the agreement, the bank will still likely decline to issue bank guarantee related to digital currencies transactions, regarding the policies and laws changing which discouraging the digital currencies transactions in mainland China.
3. As you may hear, the mainland China's policies and laws now denied the legal status of digital currencies transactions within the mainland China territory.

Meanwhile, my client sincerely hope to find a way to reach a solution to achieve the goal that my client promised to cover the risk of Tither during the period of re-issurance. After communicated many times with the banks, the bank guarantee likely cannot be issued in the current policies in mainland China. A deposit certificate is probably ok for the bank to issue, also a notarized certificate for holding digital currencies can be provided to Tither.

My client also has another proposal to cover the risk of Tither: besides promise to cover the risk in the agreement, my client will not take out any of the USDT that Tither re-issues in the next whole one year to guarantee any potential risk and loss that Tither could suffer; my client can also promise that and even after the re-issurance in one year, my client can remain 10% of the USDT for another year to guarantee for Tither.

My client shows great sincerity to solve the problem, and if Tither has other better proposals, please let us know. Thank you.

Best regards,

Vivian

From: [gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>  
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Sent: Tuesday, November 2, 2021 5:06 PM  
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Subject: RE: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Hi Michael,

What do you and Tether consider my client's proposal? Thanks!

Best regards,

Vivian

From: [gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>  
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Sent: Monday, November 15, 2021 12:36 PM  
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<<mailto:rebecca.jack@bitfinex.com><<mailto:rebecca.jack@bitfinex.com>>>> >  
Subject: RE: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Dear Michael,

It has been several years since last time we contacted. Has Tether have any  
idea about the proposal we made last time? Thanks!

Vivian

From: "MJL"<[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>  
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Date: Wed, Nov 17, 2021 06:33 PM

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Cc: "jcdz667"<[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>  
<<mailto:jcdz667@163.com><<mailto:jcdz667@163.com>>>> >;  
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<<mailto:sahuja@dmablaw.com><<mailto:sahuja@dmablaw.com>>>> >;  
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Jack"<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>  
<<mailto:rebecca.jack@bitfinex.com><<mailto:rebecca.jack@bitfinex.com>>>> >;

Subject: RE: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Vivian,

Given that your client is unable to produce the requested items, here are additional requirements and alternative documents that my client will be requiring:

1. JX and each of its impacted clients/customers will need to sign the indemnity agreement and provide an indemnity pro rata to their allocations. As to their allocations, this needs to be consistent w/ the allocations of digital assets at the time of the reported theft. No assignment of claims or reallocation of proportions will be permitted, thus ensuring the actual victims of the reported theft are covered in the proper amount.

2. You'll certify that JX's identified clients/customers are the only ones affected and that the specified pro rata portions are true and accurate as of the date of the reported theft.

3. The party to whom the tokens may be reissued will need to onboard w/ tether.to<<https://www.google.com/url?q=https://www.google.com/url?q%3Dhttps://www.google.com/url?q%253Dhttp://tether.to%2526source%253Dgmail-imap%2526ust%253D1744193163000000%2526usg%253DAOvVaw2aqnL21fjsW1yCAyejwOQd%26source%3Dgmail-imap%26ust%3D1747852114000000%26usg%3DAOvVaw1rwroauBpLX-qsjlpiJMn3&source=gmail-imap&ust=1747853484000000&usg=AOvVaw14wABPHZuwvOCwQX20IR68>> and complete the verification process. We'd suggest this process be commenced straightaway in the event there are delays or issues w/ the onboarding process.

4. First reissuance would be 12 months from the effective date of the indemnity agreement (this is in line w/ USD $\mathbb{F}$  not being accessible for 12 months). Thereafter, reissuances will be 10% quarterly.

5. JX and each of its clients/customers, the indemnifying parties, will provide on specified intervals and also on demand (as requested by Tether at their sole discretion) deposit certificates and financial statements to corroborate initial and sustained solvency. The first set of financial documents will be requested and need to be delivered prior to drafting beginning on the indemnity agreement to ensure they are satisfactory. Further, JX will need to demonstrate that it has and maintains liquid assets in excess of any reissued Tether.

Of course, the finer details of the above generally stated points, along w/ those previously discussed and tentatively agreed upon, will need to be mapped out in the indemnity agreement in full detail. To that point, please be reminded that there is no commitment or agreement of any kind from Tether's end, unless and until there is a written agreement fully executed by all parties.

Thanks, and we look forward to hearing back.

Michael

From: "gu"<[gu@wewinllp.com](mailto:gu@wewinllp.com)<<mailto:gu@wewinllp.com>>  
<<mailto:gu@wewinllp.com><<mailto:gu@wewinllp.com>>>>;

Date: Fri, Nov 26, 2021 02:33 PM

To: "gu"<[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>  
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Subject: Fw:RE: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

From: "Vivian Gu Esq." <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>  
<<mailto:gu@ingenious-law.com><<mailto:gu@ingenious-law.com>>>>

;

Date: Fri, Nov 26, 2021 02:48 PM

To: "michael" <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>  
<<mailto:michael@mjllaw.com><<mailto:michael@mjllaw.com>>>>

Cc: "jcdz667" <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>  
<<mailto:jcdz667@163.com><<mailto:jcdz667@163.com>>>>;  
"sahuja" <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<<mailto:sahuja@dmablaw.com>>  
<<mailto:sahuja@dmablaw.com><<mailto:sahuja@dmablaw.com>>>>;  
"michael" <[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>  
<<mailto:michael@tether.to><<mailto:michael@tether.to>>>>;  
"leo" <[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>  
<<mailto:leo@tether.to><<mailto:leo@tether.to>>>>; "Rebecca  
Jack" <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>  
<<mailto:rebecca.jack@bitfinex.com><<mailto:rebecca.jack@bitfinex.com>>>>;  
"Leslie Lee" <[Lee@ingenious-law.com](mailto:Lee@ingenious-law.com)<<mailto:Lee@ingenious-law.com>>  
<<mailto:Lee@ingenious-law.com><<mailto:Lee@ingenious-law.com>>>>

Subject: Re:Fw:RE: RE: RE: Resumption of communications with Tether  
regarding retrieving the frozen USDT

Dear all,

I changed email address and please send to this new email address  
afterwards.

Dear Michael,

Thank you for your message. I had meeting with client and here are some  
reply to your message:

1. I have confirmed that the USDT stolen belong to JX's two clients, and JX acted as a role as bailee to these two clients. That is the two clients of JX are the owners. Therefore, if only the two clients have indemnity agreement with Tether?

2. should be ok.

3. should be ok. JX said it already had QYC verification in the app of Tether.

4. What is the percentage of the first reinsurance?

5. JX and its clients are companies in digital currency industry. Is it ok to count digital assets as part of their assets in deposit certificates and financial statements?

Thanks and happy thanksgiving!

Vivian

From: Vivian Gu Esq. <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>> <<mailto:gu@ingenious-law.com><<mailto:gu@ingenious-law.com>>> >  
Sent: Monday, December 6, 2021 11:23 AM  
To: michael <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>> <<mailto:michael@mjllaw.com><<mailto:michael@mjllaw.com>>> >  
Cc: jcdz667 <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>> >; sahuja <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<<mailto:sahuja@dmablaw.com>>> >; michael <[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>> >; leo <[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>> >; 'Rebecca Jack' <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>> >; Leslie Lee <[Lee@ingenious-law.com](mailto:Lee@ingenious-law.com)<<mailto:Lee@ingenious-law.com>>> >  
Subject: Re:Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Dear Michael,

My clients were asking if they can get an answer from Tether so that they can proceed to prepare and move on with the future agreement. Thanks!

Best regards,

Vivian

From: MJL <[michael@mjllaw.com](mailto:michael@mjllaw.com)<mailto:michael@mjllaw.com>>  
Sent: Wednesday, December 8, 2021 2:01 PM  
To: 'Vivian Gu Esq.' <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<mailto:gu@ingenious-law.com>>  
Cc: 'jcdz667' <[jcdz667@163.com](mailto:jcdz667@163.com)<mailto:jcdz667@163.com>>; 'sahuja' <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<mailto:sahuja@dmablaw.com>>; 'michael' <[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>; 'leo' <[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>; 'Rebecca Jack' <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<mailto:rebecca.jack@bitfinex.com>>; 'Leslie Lee' <[Lee@ingenious-law.com](mailto:Lee@ingenious-law.com)<mailto:Lee@ingenious-law.com>>  
Subject: RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Vivian,

Responding to your last e-mail w/ parallel numbering:

1. Please provide the names & KYC package for the two clients, explain what JX's role as a bailee entailed and explain why the asset holding was structured in this manner.
2. Okay.
3. Please provide the e-mail address associated w/ the account.
4. 10%.
5. Potentially, it depends on the composition of the digital assets. Please provide a summary of the digital currencies held.

Michael

From: "Xuan Gu Esq." <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<mailto:gu@ingenious-law.com>>;

Date: Tue, Dec 21, 2021 02:53 PM

To: "michael" <[michael@mjllaw.com](mailto:michael@mjllaw.com)<mailto:michael@mjllaw.com>>;

Cc: "jcdz667" <[jcdz667@163.com](mailto:jcdz667@163.com)<mailto:jcdz667@163.com>>;

"sahuja" <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<mailto:sahuja@dmablaw.com>>;

"michael" <[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>;

"leo" <[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>; "Rebecca

Jack" <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<mailto:rebecca.jack@bitfinex.com>>; "Leslie

Lee" <[Lee@ingenious-law.com](mailto:Lee@ingenious-law.com)<mailto:Lee@ingenious-law.com>>;

Subject: RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Hi Michael,

My client is preparing the conditions in your last email. It takes some time, and we will get back to you after Christmas.

Merry Christmas to you all!

Vivian

From: "Vivian Gu Esq." <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<mailto:gu@ingenious-law.com>>;

Date: Tue, Mar 22, 2022 10:08 AM

To: "michael" <[michael@mjl1aw.com](mailto:michael@mjl1aw.com)<mailto:michael@mjl1aw.com>>;

Cc: "jcdz667" <[jcdz667@163.com](mailto:jcdz667@163.com)<mailto:jcdz667@163.com>>; "sahuja" <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<mailto:sahuja@dmablaw.com>>; "michael" <[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>; "leo" <[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>; "Rebecca Jack" <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<mailto:rebecca.jack@bitfinex.com>>; "Leslie Lee" <[Lee@ingenious-law.com](mailto:Lee@ingenious-law.com)<mailto:Lee@ingenious-law.com>>;

Subject: Re:RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Dear Michael,

Please see the attached documents about Jiayu Xintian's client Bittok who is the owner of the digital asset been frozen. I checked with them, Jiayu Xintian mentioned they managed for two clients who own the digital asset, but it turns out the USDT is owned only by Bittok, the other client owns a different type of digital coin.

The documents attached is the information about Bittok, including the updated financial statement issued by certified CPA. Let me know how we can move on the process, including sending me the drafted agreement between Tether and Jiayu Xintian and Bittok.

Sorry about the longtime delay. China is experiencing a serious lock down of many cities because of the burst of omicron. That caused extreme difficulties for my client to work on the matter. Although the Bittok is registered in Singapore, the company's manager was trapped in China for quite a long time.

Let me know if you have any question. Thank you.

Best Regards

Vivian Gu

Ingenious Law Group A.P.C

Managing Partner

Licensed in California State/ Washington State/ New York State/ Mainland China

Add: 2400 Barranca Pkwy, Suite 260, Irvine CA 92606

Tel: (626)269-9216; (425)477-9169 Fax: (425)307-5001

On Tue, 5 Apr 2022 at 21:29, Vivian Gu Esq.

<[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>> wrote:

Dear Leo,

I have sent the email to Attorney Michael Lee for a while, and he has never reply. I called his office and left a message, and I never get any call back. In the previous email, my client provided related information documents that were required by Tether.

I am wondering if Attorney Lee still represents your case? If not, please let me know who I shall contact to. I believe we still need to move on the case to solve the problem.

Best Regards

Vivian Gu

Ingenious Law Group A.P.C

Managing Partner

Licensed in California State/ Washington State/ New York State/ Mainland China

Add: 2400 Barranca Pkwy, Suite 260, Irvine CA 92606

Tel: (626)269-9216; (425)477-9169 Fax: (425)307-5001

From: "Rebecca Jack" <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<mailto:rebecca.jack@bitfinex.com>>;

Date: Wed, Apr 6, 2022 05:10 AM

To: "Vivian Gu Esq." <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<mailto:gu@ingenious-law.com>>;

Cc: "sahuja" <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<mailto:sahuja@dmablaw.com>>;

"michael" <[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>;

"leo" <[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>;

"jcdz667" <[jcdz667@163.com](mailto:jcdz667@163.com)<mailto:jcdz667@163.com>>; "Leslie

Lee" <[Lee@ingenious-law.com](mailto:Lee@ingenious-law.com)<mailto:Lee@ingenious-law.com>>;

Subject: Re: RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Dear Vivian

Michael Lee is still working on that matter. We are discussing your email and the documents internally and will revert shortly.

Best wishes and many thanks

Rebecca

发件人: michael <[michael@mjllaw.com](mailto:michael@mjllaw.com)<mailto:michael@mjllaw.com>>

时 间: 2022 年 5 月 10 日(星期二) 晚上 7:18

翻译全文 |

收件人: 'Vivian Gu Esq.' <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<mailto:gu@ingenious-law.com>>;  
compliance <[compliance@tether.to](mailto:compliance@tether.to)<mailto:compliance@tether.to>>

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<[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>; leo  
<[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>; 'Rebecca Jack'  
<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<mailto:rebecca.jack@bitfinex.com>>; 'Leslie Lee'  
<[Lee@ingenious-law.com](mailto:Lee@ingenious-law.com)<mailto:Lee@ingenious-law.com>>

Vivian,

Kindly limit future communications to my attention.

What is the status of the criminal matter in China against the detained suspect? Are there any pending investigations or criminal proceedings besides the one in China? If yes, please provide us the relevant details. More broadly, do you have any new or updated information to share with us concerning the culprit(s) beyond the reported theft?

Thanks in advance for your detailed feedback.

Michael

From: [gu@wewinllp.com](mailto:gu@wewinllp.com)<mailto:gu@wewinllp.com> <mailto:gu@wewinllp.com>  
<[gu@wewinllp.com](mailto:gu@wewinllp.com)  
<<mailto:gu@wewinllp.com><mailto:gu@wewinllp.com%0b%3cmailto:gu@wewinllp.com>>>

Sent: Thursday, October 7, 2021 2:47 PM

To: 'MJL' <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>>  
<<mailto:michael@mjllaw.com><<mailto:michael@mjllaw.com>>>>  
Cc: 'jcdz667' <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>  
<<mailto:jcdz667@163.com><<mailto:jcdz667@163.com>>>>; 'sahuja'  
<[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<<mailto:sahuja@dmablaw.com>>>>  
<<mailto:sahuja@dmablaw.com><<mailto:sahuja@dmablaw.com>>>>>; 'michael'  
<[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>  
<<mailto:michael@tether.to><<mailto:michael@tether.to>>>>>; 'leo'  
<[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>  
<<mailto:leo@tether.to><<mailto:leo@tether.to>>>>>>;  
[assis3@wewinllp.com](mailto:assis3@wewinllp.com)<<mailto:assis3@wewinllp.com>>>  
<<mailto:assis3@wewinllp.com><<mailto:assis3@wewinllp.com>>>>>  
Subject: RE: RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

Dear Michael,

Thank you for your response. Here are some comments regarding your questions:

1. Given that financial records are easy to fabricate, my client would need something along the lines of audited financial statements so we can more reliably assess the indemnifiers' ability to stand behind the sizable indemnity. Does JX, its clients and its affiliate companies have audited financial statements?

I talked to my client, that JX, its clients and its affiliate companies haven't done audited financial statements yet. It might take some time to do so.

2. Does JX, its clients or its affiliates have the ability to secure/provide a bank guarantee?

My client wants to know regarding the reissued USDT and the stolen USDT in this case, what amount of bank certificate/bank guarantee is appropriate? If is it ok for my client provide the signed digital assets they own like BTC, USDT, ETH as guarantee?

As for the reissuance period, my client won't shorten it to a year or under given the unusually large amount of assets at issue here.

My client accepts this.

Last, re: the proceedings in China, why was the accusation dropped against the first accused? Have formal charges been filed against the second accused?

I talked to my client, the criminal procedure basically is police officer's investigation--transfer to prosecutor--prosecutor investigate the evidence and decide if to proceed criminal lawsuit--if yes, court decision.

The first accusation dropped during the procedure of "prosecutor investigate the evidence and decide if to proceed criminal lawsuit". The prosecutor thinks there are somebody else as hacker than the first accused Hu Li may commit the crime.

The second accused Zhi Wang is under police officer investigation stage. He was found by the police officers by many clues provided to the police officer including the IP address and his identity found through evidences provided by my client. It may still take time for the police officer to finish more investigations.

Let me know how your client think about the up-mentioned comments. Thanks!

Vivian

Ingenious Law Group A.P.C.

<image001.jpg>

Vivian Gu Esq. Managing Partner

<image001.jpg>

From: "Vivian Gu Esq." <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>>;

Date: Thu, May 12, 2022 04:24 PM

To: "michael" <[michael@mjl1aw.com](mailto:michael@mjl1aw.com)<<mailto:michael@mjl1aw.com>>>;

Cc: "sahuja" <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<<mailto:sahuja@dmablaw.com>>>; "michael" <[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>; "leo" <[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>; "jcdz667" <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>; "Leslie Lee" <[Lee@ingenious-law.com](mailto:Lee@ingenious-law.com)<<mailto:Lee@ingenious-law.com>>>; "Rebecca Jack" <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>>;

Subject: Re: RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Dear Michael,

Thank you for resume the conversion with us. My client has some difficulties in preparation for the conditions that we spoke before for unfreezing the USTD, especially in registering KYC in Singapore. Compliance Department of Tether sent email to my client Bittok that Tether does not operate in Singapore and Bittok cannot register KYC. That's why we contact to seek a solution for that issue.

Regarding your question about investigation of criminal suspect, I checked with my client and things remain unchanged. The new suspect Zhi Wang's IP address is found in the Philippines, and because of the worldwide pandemic, in this stage the police officers are still looking for more clues for this case. And now there is no more other update regarding the criminal investigation.

Please suggest how to solve the KYC problem and let me know if Tether will prepare an agreement for unfreezing USTD. Thank you!

Best Regards

Vivian Gu

Ingenious Law Group A.P.C

Managing Partner

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From: Vivian Gu Esq. <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>>  
Sent: Tuesday, May 24, 2022 5:30 PM  
To: michael <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>>  
Cc: sahuja <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<<mailto:sahuja@dmablaw.com>>>; michael <[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>; leo <[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>; jcdz667 <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>; Leslie Lee <[Lee@ingenious-law.com](mailto:Lee@ingenious-law.com)<<mailto:Lee@ingenious-law.com>>>; 'Rebecca Jack' <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>>  
Subject: Re: RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Dear Michael,

Please review the documents that my client sent last time and hope we can move forward to reach an agreement. My client has suffered huge losses for the assets which have been frozen for almost two years, and they really hope to solve this problem as soon as possible.

Best Regards

Vivian Gu

Ingenious Law Group A.P.C

Managing Partner

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Add: 16755 Von Karman Ave, Suite 200, Irvine CA 92606

Tel: (626)269-9216; (425)477-9169 Fax: (425)307-5001

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From: "michael"<[michael@mjllaw.com](mailto:michael@mjllaw.com)<mailto:michael@mjllaw.com>>;

Date: Thu, May 26, 2022 01:06 PM

To: "'Vivian Gu Esq.'"<[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<mailto:gu@ingenious-law.com>>;

Cc: "sahuja"<[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<mailto:sahuja@dmablaw.com>>;  
"michael"<[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>;  
"leo"<[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>;  
"jcdz667"<[jcdz667@163.com](mailto:jcdz667@163.com)<mailto:jcdz667@163.com>>; "Leslie  
Lee"<[Lee@ingenious-law.com](mailto:Lee@ingenious-law.com)<mailto:Lee@ingenious-law.com>>; "Rebecca  
Jack"<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<mailto:rebecca.jack@bitfinex.com>>;

Subject: RE: RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Vivian,

Thanks for your e-mail. There have been a number of red flags that make my client uncomfortable w/ proceeding at this time. Please let us know when the criminal process concludes in China and provide us full details in due course, at which point we can revisit discussions here. To confirm, the USDT remains frozen.

Michael

From: Vivian Gu Esq. <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>>  
Sent: Wednesday, June 15, 2022 3:40 PM  
To: michael <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>>  
Cc: sahuja <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<<mailto:sahuja@dmablaw.com>>>; michael <[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>; leo <[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>; jcdz667 <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>; 'Rebecca Jack' <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>>  
Subject: Re:RE: RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Michael,

Let us look back about how long has the matter lasted and how much effort my client has done to try to minimize the damages:

1. On June 8, 2020, the digital wallet server of Beijing Jiayu Xintian Trading Co.Ltd was hacked. The USDT address “0xc6bd3edd07e294cb66b8318356d688b3516ea950” was stolen.
2. On June 21, 2020, we file a police report in China and On January 24 2021, we file a police report in U.S
3. On October 17, 2020, we request tether to freeze the assets on October 17 2020 , On November 3 2020, Tether froze 13,864,869.01 USDT in the assets.
4. On January, 2021, with assistance of my client, the suspected Li hu was arrest and Arrested by the Prosecutor's Office. Attached are the supporting documents issued by the Inspectorate.(Reporting of the case/ Appraisal opinion)
5. On July 19, 2021, Police pinpointed the suspect with clues about its attack on the server his name is Wang Zhi but the suspected is in the Philippines. My client constantly keep contact with the police officer who is in charge of the case. Attached is the new statement of police officer about this case.

Please keep in mind that my client is the legitimate owner of the assets. We appreciate a lot that Tether froze the asset via my client’s request. But it has taking too long time

to release the assets and it is apparently Tether has put too much obstacles in this process.

My client has fulfilled the conditions that Tether required and submitted every documents needed to Tether. Please help process the release of USDT process as soon as possible. The loss caused to my client in this two years is huge, meanwhile, my client still hope to resolve it in an amicable way. Thanks.

Best Regards

Vivian Gu

Ingenious Law Group A.P.C

Managing Partner

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Tel: (626)269-9216; (425)477-9169 Fax: (425)307-5001

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From: "michael"<[michael@mjllaw.com](mailto:michael@mjllaw.com)<mailto:michael@mjllaw.com>>;

Date: Wed, Jun 22, 2022 05:24 AM

To: "'Vivian Gu Esq.'"<[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<mailto:gu@ingenious-law.com>>;

Cc: "sahuja"<[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<mailto:sahuja@dmablaw.com>>;

"michael"<[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>;

"leo"<[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>;

"jcdz667"<[jcdz667@163.com](mailto:jcdz667@163.com)<mailto:jcdz667@163.com>>; "Rebecca

Jack"<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<mailto:rebecca.jack@bitfinex.com>>;

Subject: RE: RE: RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Vivian,

There are portions of your e-mail that are materially incorrect, to say the least. I refer you back to extensive past written communications for an accurate rendition of what's transpired.

Again, please let us know when the criminal process concludes in China and provide us full details in due course, at which point we can revisit discussions here. Thank you.

Michael

From: Vivian Gu Esq. <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<mailto:gu@ingenious-law.com>>  
Sent: Thursday, June 30, 2022 1:08 PM  
To: michael <[michael@mjllaw.com](mailto:michael@mjllaw.com)<mailto:michael@mjllaw.com>>  
Cc: sahuja <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<mailto:sahuja@dmablaw.com>>; michael <[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>; leo <[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>; jcdz667 <[jcdz667@163.com](mailto:jcdz667@163.com)<mailto:jcdz667@163.com>>; 'Rebecca Jack' <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<mailto:rebecca.jack@bitfinex.com>>  
Subject: Re:RE: RE: RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT  
Importance: High

Michael,

I believe the bona fide nature of the basic facts that my client provided is undisputed. My client has the key of the frozen USDT asserts, which is a proof that my client owns the assets. Let's not get too far afield here. The issue is, since 2020, this negotiation process is prolonged too long time and my client need to know if Tether is still interested in the offer that both side almost may reach an agreement last time. My client has made effort to prepare the conditions Tether brought out during our last time negotiation. Now your client wants more details in criminal process in China. We don't know if new conditions will be brought out endlessly in the future or it is just a strategy of stalling for time. We will provide the criminal details in China in the following that all my clients has , meanwhile, if Tether is not interested in the offer anymore, please let us know directly.

Criminal process in China:

About Li Hu:

1. My client reported to the police officers in Beijing after they found out the digital assets were stolen and provided information to the police on June 21, 2020. Officer Li Boyang of Beijing Haidian Police was the person in charge of the case (see appendix 1).
2. Li Hu, the first suspect, was an employee of Jiayu Xintian, and he participated in a APP developing work. His computer has been examined by police officers and found

evidences that he was a suspect of hacker stole the assets, e.g. the malicious code to obtain the private key was inserted into the wallet APP program through Li Hu's computer. A judicial evaluating institute provided a report “Beijing Jiayu Xintian Trading Co., Ltd. System Attack Case Appraisal Opinion” about it. (see appendix 2)

3. Based on the information required, Police officers arrested Li Hu in 2020, and report his case to prosecutor in Beijing. Jiayu Xintian provided a report to prosecutor (see appendix 3)

4. On Aug 17, 2021, Haidian District Prosecutor issued a decision of non-prosecution against Lihu. (see appendix 4) No prosecution was conducted due to insufficient evidence. The core reason is that the computer is connected to the Internet, which does not rule out that hackers can remotely control their computer to commit crimes. In addition, the stolen digital assets have no evidence connection with Li Hu. Li Hu was released since then.

About the new suspect Wang Zhi:

1. The technicians of Jiayu Xintian figured out how the assets was stolen through IP address and put the information to a Digital Assets Transfer Map. (see appendix 5) In the Map, 3rd line (totally 5 lines) shows that, the hacker traded part of the stolen assets in 1inch.exchange platform.

2. My client contacted 1inch.exchange, and obtained the IP address of two transactions of the hacker, which shows the IP address is 23.224.78.98.(see appendix 6)

3. The IP address 23.224.78.98 was searched and it showed it belonged to a company:Globaldata Investments Inc. d.b.a CeraNetworks. US district court of central district of California sent a phenomena to this company to provide evidence. (see appendix 7)

4. Attorney of Jiayu Xintian at that time sent email to Globaldata Investments Inc. d.b.a CeraNetworks requiring evidence. And CeraNetworks replied and saying that the server of IP address 23.224.78.98 was sold to 80Host.com. (see appendix 8)

5. Jiayu Xintian contacted 80Host.com, which is a company in Chengdu China. The responsible in 80Host.com provided a cell phone number, with which the possible suspect contacted them to rent the server. Jiayu Xintian reported the information to the police officer in Beijing . The police officer investigated and found out the suspect

name is Wang Zhi, and he is in Philippines. Police officer gave a feedback letter to Jiayu Xintian(see appendix 9).

6. The police officer kept investigating Wang Zhi. Meanwhile, because of the pandemic and jurisdiction problem, it is hard to move forward. Police officer Li Boyang of Beijing Haidian Police has issued a letter to explain this situation lately. (see appendix 10)

Other efforts Jiayu Xintian made to explore the suspect:

1. The IP address 23.224.78.98 has an image IP address can be traced, and it was found by technicians of Jiayu Xintian: 107.172.27.195. It was stated in appendix 1.
2. That image IP address was found belong to a company: Deluxe Corporation. US district court of central district of California sent a phenomena to this company to provide evidence. Deluxe replied attorney's email and saying the address belonged to Virtual Machine Solutions LLC. Jiayu Xintian requested evidence to Deluxe and Virtual Machine(see appendix 11)
3. It is also possible to obtain information from a platform coinpayments.net<[https://www.google.com/url?q=https://www.google.com/url?q%3Dhttp://coinpayments.net%26source%3Dgmail-imap%26ust%3D174785211400000%26usg%3DAOvVaw12McVXU3TH-NkKUZCTkCfa4&source=gmail-imap&ust=174785348400000&usg=AOvVaw1tRE9ld8c1C\\_dtYPoBQQrR](https://www.google.com/url?q=https://www.google.com/url?q%3Dhttp://coinpayments.net%26source%3Dgmail-imap%26ust%3D174785211400000%26usg%3DAOvVaw12McVXU3TH-NkKUZCTkCfa4&source=gmail-imap&ust=174785348400000&usg=AOvVaw1tRE9ld8c1C_dtYPoBQQrR)>. Jiayu Xintian also cotacted the platform to request evidence. (see appendix 12) But it seems nothing new was found.

Let me know if you have any questions. Thank you.

Best Regards

Vivian Gu

Ingenious Law Group A.P.C

Managing Partner

Licensed in California State/ Washington State/ New York State/ Mainland China

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From: "michael"<[michael@mjllaw.com](mailto:michael@mjllaw.com)<mailto:michael@mjllaw.com>>;  
Date: Wed, Jul 20, 2022 09:04 AM  
To: "'Vivian Gu Esq.'"<[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<mailto:gu@ingenious-law.com>>;  
Cc: "sahuja"<[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<mailto:sahuja@dmablaw.com>>;  
"michael"<[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>;  
"leo"<[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>;  
"jcdz667"<[jcdz667@163.com](mailto:jcdz667@163.com)<mailto:jcdz667@163.com>>; "Rebecca  
Jack"<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<mailto:rebecca.jack@bitfinex.com>>;

Subject: RE: RE: RE: RE: Fw:RE: RE: RE: Resumption of communications with  
Tether regarding retrieving the frozen USDT

Vivian,

Thank you for your e-mail. My client's position remains the same. Again,  
please let us know when the criminal process concludes in China and provide us full  
details in due course, at which point we can revisit discussions here.

Michael

From: Vivian Gu Esq. <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>>  
Sent: Wednesday, July 20, 2022 11:35 AM  
To: michael <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>>  
Cc: sahuja <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<<mailto:sahuja@dmablaw.com>>>; michael <[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>; leo <[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>; jcdz667 <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>; 'Rebecca Jack' <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>>  
Subject: Re:RE: RE: RE: RE: Fw:RE: RE: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Michael,

Your response made us confused. The email sent on Thursday, June 30, 2022 1:08 PM has fully explains the criminal process including what happend in China very detailedly, with attached files. Did you ever read them?

Let us know what else your client needs exactly from us.

Best,

Vivian

Best Regards  
Vivian Gu  
Ingenious Law Group A.P.C  
Managing Partner

Licensed in California State/ Washington State/ New York State/ Mainland China

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在 2022-07-21 02:37:14, "Vivian Gu Esq."

<[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>> 写道:

If you prefer phone call or zoom meeting, we can arrange one to get fully understanding. Thanks.

Best Regards

Vivian Gu  
Ingenious Law Group A.P.C  
Managing Partner

Licensed in California State/ Washington State/ New York State/ Mainland China

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From: JCDZ <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>  
Sent: Tuesday, July 26, 2022 2:14 AM  
To: Vivian Gu Esq. <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>>;  
MJL <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>>  
Cc: sahuja <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<<mailto:sahuja@dmablaw.com>>>; michael  
<[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>; leo  
<[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>; 'Rebecca Jack'  
<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>>  
Subject: Resumption of communications with Tether regarding retrieving the frozen  
USDT

Hi Michael,

Looking forward to getting your support, can you organize a meeting to let everyone communicate directly to resolve the current information asynchrony and differences between the two parties, so that this matter can get a result as soon as possible. thank you

From: "michael"<[michael@mjllaw.com](mailto:michael@mjllaw.com)<mailto:michael@mjllaw.com>>;  
Date: Wed, Jul 27, 2022 01:07 PM  
To: "jcdz667"<[jcdz667@163.com](mailto:jcdz667@163.com)<mailto:jcdz667@163.com>>; "Vivian Gu Esq."<[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<mailto:gu@ingenious-law.com>>;  
Cc: "sahuja"<[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<mailto:sahuja@dmablaw.com>>;  
"michael"<[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>;  
"leo"<[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>; "Rebecca Jack"<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<mailto:rebecca.jack@bitfinex.com>>;

Subject: RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Vivian,

As we've discussed several times previously, all communications are to be directed to my exclusive discussion – no exceptions. Your client representative has, once again, ignored that mandate and reached out directly to my client. I trust you'll take steps to ensure this won't happen again, but to further discourage the end-around attempts, my client representatives have been instructed not to respond to any future communications.

Aa for the below e-mail from your client representative, I obviously can't respond to an e-mail from a represented party – nor would I do so here, even if I had your consent. Presuming you're still acting as counsel for your client, kindly ensure all communications moving forward are from your end directly to me. Thank you.

Michael

Vivian Gu Esq.<[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>> On 2022-11-29 Tue. 14:13 wrote:

Hi Michael,

Hope you have a good thanksgiving!

My clients still want to reach out one more time for the matter of unfreezing the USDT assets. My clients understand that one of the elements that Tether hesitated to unfreeze the assets is that there were no guarantors to ensure for my clients. My clients have found a company who is willing to guarantee the unfreezing. Please see the attached guarantor's letter. This company offered to guarantee 10% amount of the stolen assets. We are willing to know that if Tether may accept the method of guarantors to solve this matter, if so, how much is the minimum guarantee amount for unfreezing, and what is the appropriate way to proceed the guarantee.

We would also want to know that, during such a long time from the point of freezing, if anyone has claimed that he is the owner of the frozen assets? We are still urging the police officers to pursuit the right suspect of the stolen assets. If anyone came to claim the assets, we will report to the police officers immediately, and hopefully Tether will help us in this matter.

Actually, my client expressed the thought that they are thankful that Tether froze the USDT at very beginning to avoid the assets been transferred away. Meanwhile, my clients have expressed that they will never give up to pursuit the stolen assets. Please kindly confirm that if the up-mentioned guarantee way is an option to solve this matter? Or you may offer a possible way for us to figure it out. Thank you.

I believe that my clients are hoping to continue to confer with Tether to find out a method for unfreezing the asset, and resolve the matter with a minimum legal cost for both parties. As a courtesy remind, my clients worried about their legitimate right and they expressed that if finally, if unfreezing cannot work out through negotiation or communication, my clients are considering separately hiring the lawyers in appropriate jurisdiction, e.g., BVI, to resolve the matter otherwise.

Let us know whether the up-mentioned guarantee method would work out and we will move forward. Looking forward to your response. Thank you.

Best Regards

Vivian Gu  
Ingenious Law Group A.P.C  
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From: Vivian Gu Esq. <[gu@ingenious-law.com](mailto:gu@ingenious-law.com)<<mailto:gu@ingenious-law.com>>>  
Sent: Wednesday, December 28, 2022 10:20 PM  
To: MJL <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>>  
Cc: sahuja <[sahuja@dmablaw.com](mailto:sahuja@dmablaw.com)<<mailto:sahuja@dmablaw.com>>>; michael <[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>; leo <[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>; 'Rebecca Jack' <[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>>; jcdz667 <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>  
Subject: Reply:Re:RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Hi Michael,

I understand that the related matter in this case we were requested to communicate with you. My client is willing to solve this case through negotiation. Please reply to our previous email and let us know how Tether thinks about it. Thank you.

Best,

Vivian

在 2023-01-21 00:19:28, "MJL"

<[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>> 写道:

Vivian,

Happy New Year. There remain several large and concerning disconnects from our prior discussions, which I don't think we need to rehash again right now. That said, the assets remain frozen and we can reengage on more substantive discussions after the criminal investigation in China concludes. On that note, please update us on the latest developments in that matter. Thank you.

Michael

发件人: JCDZ <[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>  
发送时间: 2025 年 1 月 24 日(星期五) 14:28  
收件人: jinjin<[dora@bitjungle.io](mailto:dora@bitjungle.io)<<mailto:dora@bitjungle.io>>>  
主 题: Re:RE: Reply:Re:RE: Resumption of communications with Tether regarding  
retrieving the frozen USDT

FYI

发件人: jinjin <[dora@bitjungle.io](mailto:dora@bitjungle.io)<<mailto:dora@bitjungle.io>>>  
发送时间: 2025 年 1 月 24 日(周五) 15:30  
收件人: michael<[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>  
抄 送: leo<[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>; Rebecca  
Jack<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>>;  
jcdz667<[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>

主 题: 回复: RE: Reply:Re:RE: Resumption of communications with Tether regarding retrieving the frozen USDT

Dear Michael,

I hope this message finds you well.

I wanted to take a moment to update you on the progress of the ongoing case and share some important developments. Below is a summary of the key points:

1.Parties Involved: We've officially signed an asset transfer agreement between Bit Jungle and Bittok Technology Pte.Ltd., from here on Bit Jungle will be fully in charge of the follow-up and recovery process.[The Asset Transfer Statement has been added as an attachment for your reference.]

2.Progress on Investigations: We've identified some important leads and are diligently working to gather further information. The investigation is moving forward.

3.Legal Consultation: We've also been in touch with law firms both in China and the U.S. to ensure everything is handled appropriately. If we hit any roadblocks where communication isn't enough, we'll follow the advice of our legal team and explore further legal steps.

We truly appreciate Tether's support throughout this process and are hopeful we can continue in a positive, collaborative way. We'd love to proceed with the asset recovery in line with Tether's policies, and if any costs come up during the process, We're more than willing to cover a reasonable portion of any costs that may arise during the process.

Thanks again for all your help! Looking forward to hearing from you and continuing our efforts together.

Best regards,  
Dora  
CMO, Bit Jungle

发件人: jinjin <[dora@bitjungle.io](mailto:dora@bitjungle.io)<<mailto:dora@bitjungle.io>>>

发送时间: 2025 年 3 月 31 日(周一) 16:06

收件人: xinyi<[xinyiwu@bitjungle.io](mailto:xinyiwu@bitjungle.io)<<mailto:xinyiwu@bitjungle.io>>>

主 题: 转发: RE: Reply:Re:RE: Resumption of communications with Tether regarding retrieving the frozen USDT

发件人: xinyi <[xinyiwu@bitjungle.io](mailto:xinyiwu@bitjungle.io)<<mailto:xinyiwu@bitjungle.io>>>  
发送时间: 2025 年 3 月 31 日(星期一) 16:16  
收件人: michael<[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>  
抄 送: leo<[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>;  
"rebecca.jack"<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>>;  
jcdz667<[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>;  
legal<[legal@tether.to](mailto:legal@tether.to)<<mailto:legal@tether.to>>>;  
inforequests<[inforequests@tether.to](mailto:inforequests@tether.to)<<mailto:inforequests@tether.to>>>

主 题: Case [#739807] - Request for Tether's Guidance & Coordination on Frozen Funds Recovery

Dear Tether,

This is BitJungle, a blockchain security company. We have been authorized by the victim Bittok to handle the recovery of stolen and frozen funds (Case ID:#739807). We are writing to update you on the progress of the case and express our willingness to redeem the frozen funds with the 20% fee.

#### 1. Case Background

The forensics shows that:

- (1) portions of the stolen funds were transferred to wallets with IP addresses in Hong Kong, and
- (2) the hacker's attack originated from an IP address in the United States.

#### 2. Actions We Have Taken

1. Filed a police report with the Singapore Police Force (Report No. E/20250210/2042).
2. Sent a Notice to the frozen addresses to demand the hackers giving out private keys.

#### 3. Next Steps

We intend to escalate legal action by:

1. Filing a police report with the Hong Kong Police;
2. Initiating a civil lawsuit in Hong Kong courts to seek a judgment for the restitution of frozen assets.

#### 4. Questions (Need Tether's Reply)

To expedite the recovery process, we kindly request Tether's official guidance on the following:

1. Will Tether commit to releasing the frozen funds to the victim upon a successful Hong Kong court judgment ordering restitution?
2. Do you recommend any other jurisdictions that you deem more appropriate for pursuing legal action? (e.g., the U.S., given the hacker's IP traces)

#### 5. Proposal

BitJungle, on behalf of the victim Bittok, stands ready to redeem the frozen assets at any time with a 20% fee, and we respectfully urge Tether to consider this proposal as a pragmatic resolution to expedite the recovery process.

#### 6. Our Commitment

BitJungle is a trusted name in blockchain security, and was recently ranked No. 2 on the Bounty Hunters Leaderboard for recovering Bybit's stolen assets (see the link: <https://www.lazarusbounty.com/en/<https://www.google.com/url?q=https://www.google.com/url?q%3Dhttps://www.google.com/url?q%253Dhttps://www.lazarusbounty.com/en/%2526source%253Dgmail-imap%2526ust%253D1744193163000000%2526usg%253DAOvVaw2B4W89Xoq5LShIfvmZsJEq%26source%3Dgmail-imap%26ust%3D1747852114000000%26usg%3DAOvVaw190X-u5P4wPgIFFeTWv0j&source=gmail-imap&ust=1747853484000000&usg=AOvVaw1w9sEG0Nx0Ip9Q81j0T6ec>>). We are committed to maintaining blockchain ecosystem integrity, which aligns with Tether's goal of combating illicit activities. We trust Tether will recognize our shared purpose and give due consideration to our proposal.

We look forward to your reply and are available for further negotiation at your earliest convenience.

Yours Sincerely,  
Eloise | Legal Department  
BitJungle Technology Company

From: xinyi <xinyiwu@bitjungle.io>  
Send Time: 2025 Apr. 2 (Wed.) 18:05  
To: michael<michael@tether.to>  
CC: leo<leo@tether.to>; "rebecca.jack"<rebecca.jack@bitfinex.com>;  
jcdz667<jcdz667@163.com>  
Subject: Case [#739807] - Request for Michael's Reply on Reissuance Matters re  
Bittok Case

Dear Michael,

This is BitJungle on behalf of the victim Bittok Ltd. We are writing to update you on the latest developments and request for your reply on enforcement issues about re-issuance process.

1. Is Tether legally bound to enforce a Hong Kong court judgement? IOW, if Bittok obtains a Hong Kong court judgment confirming its ownership over the frozen USDT, will Tether obey and enforce the judgement to re-issue to Bittok?
2. If Tether refuses to recognize a Hong Kong court judgment, under which jurisdiction's court orders is Tether legally compelled to comply?

Regarding the latest developments, please refer to the last email we sent.

Also, we agree to redeem USDT with a 20% fee, and anticipate our further discussion on it.

Thank you for your time and consideration. We look forward to your reply.

Best Regards,  
Eloise

发件人: Leonardo Real <[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>  
发送时间: 2025 年 4 月 3 日(星期四) 01:52  
收件人: xinyi<[xinyiwu@bitjungle.io](mailto:xinyiwu@bitjungle.io)<<mailto:xinyiwu@bitjungle.io>>>  
抄 送: michael<[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>;  
"rebecca.jack"<[rebecca.jack@bitfinex.com](mailto:rebecca.jack@bitfinex.com)<<mailto:rebecca.jack@bitfinex.com>>>;  
jcdz667<[jcdz667@163.com](mailto:jcdz667@163.com)<<mailto:jcdz667@163.com>>>  
主 题: Re: Case [#739807] - Request for Michael's Reply on Reissuance Matters re  
Bittok Case

Dear Eloise,

We are reviewing your email and will respond to you soon.

Thank you

发件人: Eloise Wu <[xinyiwu@bitjungle.io](mailto:xinyiwu@bitjungle.io)<<mailto:xinyiwu@bitjungle.io>>>  
发送时间: 2025 年 4 月 8 日(周二) 10:09  
收件人: Leonardo Real<[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>  
抄 送: jinjin<[dora@bitjungle.io](mailto:dora@bitjungle.io)<<mailto:dora@bitjungle.io>>>  
主 题: Case [#739807] - Request for Online Meeting to Discuss Reissuance and Potential Collaboration re Bittok Case

Dear Leonardo,

This is Eloise from BitJungle. We understand that you are reviewing the re-issuance protocol of Bittok case.

We propose arranging an online meeting with you to discuss how we can collaboratively develop an optimized solution. This solution would aim to mitigate Tether's risk exposure while enhancing its returns. Should a virtual meeting be inconvenient for you, we are happy to accommodate an in-person meeting at your office, to further explore the case and align on next steps.

BitJungle is currently managing cases involving digital assets valued at approximately RMB 1 billion, which require coordination with your company. We hope to establish a long-term collaborative partnership with Tether and believe that fostering consistent communication channels will ensure mutual benefits.

Thank you for your time and consideration. We look forward to your reply.

Best reagrds,  
Eloise

From: Eloise Wu <xinyiwu@bitjungle.io>  
Send Time: 2025 May. 13 (Tue.) 10:48  
To: Leonardo Real <leo@tether.to>  
CC: jinjin <dora@bitjungle.io>  
Subject: Case [#739807] - Request for Reply to Reissuance Proposal re Bittok Case - BitJungle

Dear Leonardo,

This is BitJungle on behalf of the victim Bittok. I am writing to kindly follow up on the reissuance proposal in our previous email (We agree to redeem the frozen funds with a 20% fee). Could you please share the evaluation result at your earliest convenience?

If you encounter any challenges during the review, please don't hesitate to let us know. To facilitate a smooth resolution, we can arrange for our Hong Kong lawyers to directly communicate with you. They have extensive expertise and will ensure that all steps are taken in strict compliance with the law.

Moreover, we believe an online meeting would enable us to thoroughly discuss the proposal, address any concerns, and align our understanding. Would you be available to schedule a virtual meeting at your convenience?

I have also attached a picture that introduces our company's business, which I hope will give you a better understanding of our company.

Thank you for your time and consideration. Looking forward to hearing from you soon.

Best regards,  
Eloise | Legal Department  
BitJungle Technology Company

From: Leonardo Real <[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>  
Date: Tue, May 13, 2025 at 7:44 AM  
Subject: Re: Case [#739807] - Request for Reply to Reissuance Proposal re Bittok Case - BitJungle  
To: Eloise Wu <[xinyiwu@bitjungle.io](mailto:xinyiwu@bitjungle.io)<<mailto:xinyiwu@bitjungle.io>>>  
Cc: jinjin <[dora@bitjungle.io](mailto:dora@bitjungle.io)<<mailto:dora@bitjungle.io>>>, Tetiana Oliinyk <[tetiana.oliinyk@tether.to](mailto:tetiana.oliinyk@tether.to)<<mailto:tetiana.oliinyk@tether.to>>>, Murad Zada <[murad.zada@tether.to](mailto:murad.zada@tether.to)<<mailto:murad.zada@tether.to>>>

Hi Eloise,

I've copied my team and we will respond soon.

Regards

发件人: MJL <[michael@mjllaw.com](mailto:michael@mjllaw.com)<<mailto:michael@mjllaw.com>>>  
发送时间: 2025 年 5 月 22 日(周四) 23:15  
收件人: "[Eloise Wu](mailto:Eloise Wu)  
([xinyiwu@bitjungle.io](mailto:xinyiwu@bitjungle.io))"<[xinyiwu@bitjungle.io](mailto:xinyiwu@bitjungle.io)<<mailto:xinyiwu@bitjungle.io>%22%3cxinyiwu@bitjungle.io>>>; "[Dora](mailto:Dora)  
([dora@bitjungle.io](mailto:dora@bitjungle.io))"<[dora@bitjungle.io](mailto:dora@bitjungle.io)<<mailto:dora@bitjungle.io>%22%3cdora@bitjungle.io>>>>  
抄 送: 'Leonardo Real'<[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>>; "[Michael Hilliard](mailto:Michael Hilliard)  
([michael@tether.to](mailto:michael@tether.to))"<[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>%22%3cmichael@tether.to>>>; 'Tetiana  
Oliinyk'<[tetiana.oliinyk@tether.to](mailto:tetiana.oliinyk@tether.to)<<mailto:tetiana.oliinyk@tether.to>>>>; "[Murad Zada](mailto:Murad Zada)  
([murad.zata@tether.to](mailto:murad.zata@tether.to))"<[murad.zata@tether.to](mailto:murad.zata@tether.to)<<mailto:murad.zata@tether.to>%22%3cmurad.zata@tether.to>>>>  
主 题: RE: Case [#739807] - Request for Reply to Reissuance Proposal re Bittok  
Case - BitJungle

Eloise, Dora,

I reference your below e-mails. Moving forward, please cc me on all communications.

The e-mail chain you wrote on has e-mails predating your involvement in this matter spanning back nearly four years. Notably, your e-mails don't provide any updates on most of the various issues/points discussed therein. Please provide a complete update on those matters. Further to the same, please provide all information and documentation that you believe substantiates the position that (1) Bittok Technology Pte. Ltd. was the legal owner of the reportedly stolen USDT at the time of the theft, and (2) your company is now the legal owner of those assets.

As to your request for legal guidance on general or hypothetical matters, you'll appreciate that we're not in a position to provide the same.

Without any suggestion whatsoever that my client is considering reissuance of any tether at this time, particularly given the many concerns that remain after many years of correspondence, please advise if Bit Jungle would be able to fortify a release w/ a long term, fully backed bond, guaranty or other type of security to guard against all risks.

Thank you, and we will look forward to your feedback.

Michael

From: Eloise Wu <[xinyiwu@bitjungle.io](mailto:xinyiwu@bitjungle.io)<<mailto:xinyiwu@bitjungle.io>>>  
Sent: Wednesday, May 28, 2025 2:00 AM  
To: MJL <[michael@mjl.com](mailto:michael@mjl.com)<<mailto:michael@mjl.com>>>; 'Leonardo Real' <[leo@tether.to](mailto:leo@tether.to)<<mailto:leo@tether.to>>>  
Cc: Michael Hilliard ([michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>)<[michael@tether.to](mailto:michael@tether.to)<<mailto:michael@tether.to>>>; 'Tetiana Oliinyk' <[tetiana.oliinyk@tether.to](mailto:tetiana.oliinyk@tether.to)<<mailto:tetiana.oliinyk@tether.to>>>; Murad Zada ([murad.zata@tether.to](mailto:murad.zata@tether.to)<<mailto:murad.zata@tether.to>>)<[murad.zata@tether.to](mailto:murad.zata@tether.to)<<mailto:murad.zata@tether.to>>>; Dora ([dora@bitjungle.io](mailto:dora@bitjungle.io)<<mailto:dora@bitjungle.io>>)<[dora@bitjungle.io](mailto:dora@bitjungle.io)<<mailto:dora@bitjungle.io>>>>  
Subject: Case [#739807] - Clarifications on Asset Ownership & Willingness to Provide Guaranty re Bittok Case - BitJungle

Dear Michael and Leonardo,

Thank you for your response. We fully appreciate your concerns regarding risk mitigation and legal compliance. We are willing to provide a guaranty to guard against risks associated with the redemption process.

#### 1. The Information of Ownership

(1) Bittok's legal ownership at the time of the theft  
The private key of the stolen address (0xc6bd3edd07e294cb66b8318356d688b3516ea950) is valid evidence for confirming Bittok's ownership of the stolen assets. Prior to the asset freeze, Bittok successfully performed signature verification on the stolen address as per Tether's request. Kindly confirm if you retains any records of this verification. Bittok still controls the private key at present. If you would like to verify signature again, Bittok will cooperate and follow your instruction to complete it.

Currently, we are stepping up efforts to contact and capture the hacker, hoping to get the private keys of frozen addresses from the hacker.

(2) BitJungle's current legal ownership  
For your reference, we have attached the Asset Transfer Statement made by Bittok, which was previously shared by Dora in January. The statement can prove that the ownership of the stolen assets has been lawfully transferred from Bittok to BitJungle.

#### 2. Willingness to Providing Security

Please be assured that BitJungle possesses the financial capacity to provide a long-term guaranty. Kindly advise the specific requirement or proposal on Tether's side. We welcome further discussion on this matter.

### 3. Strategic Collaboration & Investment Invitation

Given Tether's operational complexities in mainland China, Hong Kong, and Singapore, BitJungle is able to offer ample financial resources, technical expertise, and legal compliance capabilities for cross-border asset freeze and redemption processes.

Moreover, as BitJungle recently prepares to raise capital for expansion, we believe a strategic investment will greatly enhance Tether's influence and resources in China's blockchain security sector.

We look forward to your reply and hope to align our next steps. If you have any other concerns, kindly let us know and we will try our best to address them.

Best regards,  
Eloise | Legal Department  
BitJungle Technology Company

发件人: MJL <[michael@mjllaw.com](mailto:michael@mjllaw.com)<mailto:michael@mjllaw.com>>  
发送时间: 2025 年 5 月 30 日(周五) 07:25  
收件人: Eloise Wu<[xinyiwu@bitjungle.io](mailto:xinyiwu@bitjungle.io)<mailto:xinyiwu@bitjungle.io>>;  
'Leonardo Real'<[leo@tether.to](mailto:leo@tether.to)<mailto:leo@tether.to>>  
抄 送: "[Michael Hilliard](mailto:michael@tether.to)  
([michael@tether.to](mailto:michael@tether.to))" <[michael@tether.to](mailto:michael@tether.to)<mailto:michael@tether.to>>%22%3cmichael@tether.to>>; 'Tetiana  
Oliinyk'<[tetiana.oliinyk@tether.to](mailto:tetiana.oliinyk@tether.to)<mailto:tetiana.oliinyk@tether.to>>; "[Murad Zada](mailto:murad.zata@tether.to)  
([murad.zata@tether.to](mailto:murad.zata@tether.to))" <[murad.zata@tether.to](mailto:murad.zata@tether.to)<mailto:murad.zata@tether.to>>%22%3cmurad.zata@tether.to>>; "[Dora](mailto:dora@bitjungle.io)  
([dora@bitjungle.io](mailto:dora@bitjungle.io))" <[dora@bitjungle.io](mailto:dora@bitjungle.io)<mailto:dora@bitjungle.io>>%22%3cdora@bitjungle.io>>  
主 题: RE: Case [#739807] - Clarifications on Asset Ownership & Willingness to  
Provide Guaranty re Bittok Case - BitJungle

Eloise,

Thank you for your e-mail. Your e-mail doesn't provide the requested updates on most of the issues/points discussed in the e-mail chain, including (but not limited to) the US litigation and the criminal investigation/prosecution in China. Please carefully review the e-mail chain and provide updates on all historical issues/points.

Again without any suggestion whatsoever that my client is considering reissuance of any tether at this time, does your company have audited financial statements or other objective documentation substantiating its ability to fortify a release w/ a long term, fully backed bond, guaranty or other type of security? If yes, please provide the documents to us.

So I'm clear on the specific previous communications you're referring to, please provide copies of the e-mail communications concerning the address verification and asset freeze via attachment in your return e-mail.

My client isn't interested in a strategic collaboration or investment.

We look forward to hearing back.

Michael

From: Eloise Wu <[xinyiwu@bitjungle.io](mailto:xinyiwu@bitjungle.io)>  
Sent: Thursday, July 3, 2025 6:48 PM  
To: MJL <[michael@mjllegal.com](mailto:michael@mjllegal.com)>; 'Leonardo Real' <[leo@tether.to](mailto:leo@tether.to)>  
Cc: Michael Hilliard ([michael@tether.to](mailto:michael@tether.to)) <[michael@tether.to](mailto:michael@tether.to)>; 'Tetiana Oliinyk' <[tetiana.oliinyk@tether.to](mailto:tetiana.oliinyk@tether.to)>; Dora ([dora@bitjungle.io](mailto:dora@bitjungle.io)) <[dora@bitjungle.io](mailto:dora@bitjungle.io)>; murad.zada <[murad.zada@tether.to](mailto:murad.zada@tether.to)>  
Subject: Case [#739807] - Updates & Proposal of Guaranty re Bittok Case - BitJungle

Dear Michael and Leo,

This is Eloise from BitJungle. Thank you for your prompt reply. I am writing to update you on the case progress and our proposal of guaranty.

#### 1. US Litigation

We are considering filing a lawsuit against the holder of frozen addresses in California or New York, and currently advancing with preparatory work.

#### 2. China Investigation Update

We have identified leads to five newly found suspects: two individuals in Guangdong (suspected of money laundering), two in Hong Kong (principal offenders), and one whose specific location is unclear (believed to provide technical support). We will continue to cooperate with the police in advancing the case.

#### 3. Negotiation with Suspects

The money laundering suspects have expressed willingness to act as intermediaries to help us obtain the private key from the holder of the frozen addresses. We have also issued a bounty on the blockchain for anyone who can hand over the private key.

#### 4. Financial Guaranty

We agree to provide a guaranty ranging from RMB 50 million to 100 million, comprised of BitJungle's proprietary funds and investors' capital. The specific type of guaranty can be further negotiated between us. Regarding the financial statements, we believe the timing is not yet appropriate to provide.

#### 5. Asset Freeze Email Screenshots

Attached for your review. Should you require additional details or supplementary materials, please do not hesitate to inform us.

#### 6. Victim Address Signature Verification

We cannot locate the previous signature link, but we can redo the verification and provide a new link. The signature text will include: date of theft, Bittok as the original holder, confirmation that suspects have not obtained the private key, and the date of asset transfer to Qingdao BitJungle. Could you kindly advise if the above information meets your requirements? Alternatively, please share a reference format if available.

Regardless of whether the private key is obtained, we will cooperate with you in accordance with laws and regulations to recover the stolen assets.

We look forward to your reply. Thank you for your time and support.

Best regards,

Eloise | Legal Department

BitJungle Technology Company

From: MJL <michael@mjllaw.com>  
Send Time: 2025 Jul. 25 (Fri.) 00:30  
To: Eloise Wu<xinyiwu@bitjungle.io>; 'Leonardo Real'<leo@tether.to>  
CC: "Michael Hilliard (michael@tether.to)"<michael@tether.to>; 'Tetiana Oliinyk'<tetiana.oliinyk@tether.to>; "Dora (dora@bitjungle.io)"<dora@bitjungle.io>; "murad.zada"<murad.zada@tether.to>  
Subject: RE: Case [#739807] - Updates & Proposal of Guaranty re Bittok Case - BitJungle

Eloise,

Thank you for you e-mail. I see a number of material issues that still haven't been addressed in your response. That said, please provide us an update on developments in the three weeks since your e-mail was sent, including (but not limited to) developments on your numbered points "1", "2" & "3".

Michael

# EXHIBIT 8

**Exhibit 8: Frozen Address List**

List of 111 Ethereum addresses holding frozen USDT-ERC20 assets, as identified in the blockchain tracing report (Exhibit 6). Total frozen amount: 13,864,869.01 USDT. Source: Tether International Limited freeze records / Etherscan.io.

No.	Frozen Address (USDT-ERC20)	Frozen Amount (USDT)
1	0xa41fc53e6cb56258b1014564e0dca5879bb6a06b	5,313
2	0xfd2cb3ace5f59cc3c43c967c326b81c01e051bdf	42,486
3	0xd5d4fe47f66723e45a41c941fd0177449967273d	93,388
4	0xace03f077ab93edad192aa32940699b1f445c7dd	100,204
5	0xc0db456cc0c9d71e793eeaca61148c0473e8bbb2	102,709
6	0x74b76a5ce326bcdab7c9ba4c8b4c204cc42b1cb2	102,912
7	0x296ab0cd87840db642a05522306f679c77f9bbc1	103,559
8	0x18fae44d01a92ede3362d321ad435e3876767edd	104,003
9	0xd8108764a3d828435e0d85490b10cee929bad2d4	104,300
10	0x94bf8a5ea95c837f72729abe0fdb249fa9e6880	104,561
11	0x84c03c2c14e73e90bf8cea1d625271b3a92dfac	104,870
12	0xa0820e7e310a061d92df27540d369f962b708e09	105,588
13	0x891cb46cf734538cc52eff7b68c9edd8e07ff2c9	105,933
14	0xd1359596738c8bb8f4076a6b93e3a6a94d7b0fc1	106,043
15	0xa9e8c881b448e9e18ca3acaaf1e7cd69ab68c81f	107,073
16	0x5def1f2f8aa773fb92ec5028ebbdd33edac6e850	108,153
17	0x6e82ab852f0584d61142adc2b5f196a661292e16	109,052
18	0x45412c2a74ff5a3a282e49fc163e4d8c72e25d1f	109,663
19	0x0199f775670c4f767319f8dd1646ba7c617e4063	110,097
20	0xb41ed79226eef18e995260c07f6556d50f181c77	110,578
21	0x78bc05de11d5504beb9857bf20418240d7d64af6	111,105
22	0x760ee593861973b4cbc372a2cc31892e80f22ecd	111,117
23	0x51d0d3a1912263bdf3b103ad13b6b03598c5680d	111,172
24	0xf5e9f38e559cf86b5eca5e78c4dc71e2268660d0	112,833
25	0x242d65529f330751baf13120a0cf5face08ca9ca	113,184
26	0x89c61abda2a1061182765656dc591306a491643c	113,623
27	0x8679b074480c47d6e4b4c4bb24e5970e1a0d0cfc	113,667
28	0xb805c79f03a4230170b4c1d0ff3bb6c070c79d11	114,195
29	0x25d33526deed7ef7fbf280e0ae64ffa2885797a2	114,595
30	0xc0388a58be04564fbab4c21336155c5fe1862629	116,727
31	0xf6a5d0770bf4384c7917b6b92d646acb08fa7739	116,908
32	0xca13060a208691e08254e8dcb4f0fd6e864be095	117,113
33	0x5357ca709f0469c4a4de562d96cfec65e87e7e8d	117,955
34	0x15cce358a48bc3f2a4b346e1b4ccca90c552910f	118,673
35	0xe53fbe593fb1a7c195661b1a7ecc506ac58590fa	118,821
36	0xd94bb87e0799222fc1e44fa34fd73b6aff220f82	119,127
37	0x2b19d941d6a639ab9a3a70555c34cbba47a52076	119,232
38	0x2d43b14ed6c61389fd0b398b73c6782231dff73a	119,498
39	0xa58b120028938cd52a673b366b3a7b96142cabd7	119,555

No.	Frozen Address (USDT-ERC20)	Frozen Amount (USD)
40	0x68f64608fcb137f8ccecaa08e41678cde0a73de6	120,312
41	0x3e732383de30e25ab0cafbe05bc3aab0eef86129	120,749
42	0x5435ee8414d495d6eb15c79f5b10ed5f6684f448	120,987
43	0x417d46b12ebfb45cdf3403e99a760798db3737fd	121,751
44	0x7e5c85bcb39b59e9910f6e271e20433c7b0561c4	121,963
45	0x60bd000b619e7ac467f9581a991d69338db18dba	122,042
46	0xb4da3ea40c2548765ca5ba8a10c0cef3c24f5ee6	122,255
47	0xf041c501f16891a2b23f7d3fde5105c80453db92	122,535
48	0x2c6ce190452c43f6387929d3802b23e3d43270f3	123,705
49	0x4debafae523bd94dbe030836e1dd3b6e64a79ea7	124,258
50	0xd86592a45dd5c77f233b0422212ff3c1ec304d96	124,563
51	0x29e7e2ccad6cd025a9b03fedcdd344eeba19cf76	126,068
52	0x094904b9816493aba8a246aec82e0d04a81dfd9e	126,571
53	0x8ac7c0ba14eafdb8fe4378028d540e9ed576afdb	127,282
54	0x7500f0c7b6de1987e5bf617f681c0e10f0b73cae	127,783
55	0xf73d8d6f76d5e35ab952f94a6b431a730e5c5c7f	127,791
56	0xdce043a240980194e03781844640177361533ea5	128,100
57	0x42b07bd8c55bfe4d20c4be2d62bc2c0d905ef9e7	128,332
58	0xee5e98d9902e8158965c0b87364c3bb41875da1	129,417
59	0x47409050f0ced07aac3dae0c48aa6fe8db63455d	129,567
60	0x37cd869582ddcc9db0cee5c587105cb597a9a76b	130,184
61	0x61a16fc2e352647ac9c130be6742ced32c911dee	130,476
62	0x99fb8ea7fd859c1d8425f4f7a024bf355db476d9	130,482
63	0x98a65067424a2a512eb22d0919bf772d4acb7dd4	130,588
64	0xb8a886423d63063b67638ca29f849d8df611ef00	130,591
65	0xa9f851e6543a25972886b86b1160c47c9240d685	130,946
66	0x4933038d1able8d042c3944fee2c2d4cb2b02fcf	131,024
67	0x1f36ecbd76f05f631a98932195a19b4b0494949e	131,817
68	0xec13cfe6f132fd976f93ef9cb5f103df0eec694a	131,962
69	0x2609bfd99430fe5b62b17afd91c62ab1a843ca9	131,996
70	0x37b9a0e18bf70b009b757c49857b5299745a63a0	132,012
71	0x6ef45e8d694c35f6cf00b9e9d31ce05b24a384d4	133,528
72	0x2e2b305cfd35ab22a767b67a8bf5dceb75c8dc7d	133,617
73	0x27889548c9d767e48e45b2f07ef3cflfaa5b2a97	134,409
74	0xa65d8ab49125dc4704c0b29908983db3936cdada	134,516
75	0x32a895bae7aa91ee5e423d756eb36b29b1d45785	134,829
76	0xe21e7457ffdee184f540d8e4749ef183504f001c	135,496
77	0xa60fcac8a4cf70af2a2e0c0cda73afef208c6daa	135,769
78	0xda66cabdf85b32c36fc5faa7e31f22ed76157eb0	135,881
79	0x0e1f5f828f7c66631728658cb4cbd966700acf6d	136,226
80	0xa7a621a76bd0aca522dfda21573a72e7e313b42b	137,607
81	0x18bc757caa7658995c40dc7542254613ab2580f6	138,794

No.	Frozen Address (USDT-ERC20)	Frozen Amount (USD)
82	0x641a67e0583f05e3fb93fce93bd3bdf47301c3e	139,340
83	0x05594df248cb01f8046aba8a37d744b99acb6d9f	139,470
84	0x44281fe195402ed29c8067ef107c1dd4b6fbefb2	139,476
85	0x9e1a5c1bbfb0e6bd11a52fff463ef5bbb449bfcd	139,579
86	0xb8500fb47adeda3c0262e18e333f432aa6ac8ff1	140,346
87	0xe09378e4cc630a8809116b97321f4e014942ede5	140,494
88	0x2c77621324be3bfeefdc5e25204af6db88ff798a	140,669
89	0xdd1072cd2cb592721085d439baec0130c1208265	140,739
90	0x8c37b927fa392ad0b1890c8fb49fe939563f768f	140,820
91	0x291bc570aac1e90a0c5230fbfb3f97274c111273	141,009
92	0x97005d821905bd11ca0574cf0319956e4c7eec09	141,243
93	0xe01df2813742b890d5d7e10e2304ba54f586f93f	141,460
94	0x3b2a153a99f1855d8aefe2c925c796eeb0b78d60	142,018
95	0xa7610b2ba35756bb01384debea3cb0f0855247b1	142,397
96	0xba6b1e0dbedd00707981a84946cde8e556ce259c	142,483
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98	0x4812042a9fd864ffd80d298628b23a3cc4f8988	142,787
99	0xf768308c448ca951f0fb2487cebe5598c8fb40e2	142,963
100	0x8c6b4a65e3b442b1d7b4d4b3143049c36d78a173	142,991
101	0x5aaace475669ef0be27b241ee7eceb74ea5e36b7	143,176
102	0xcc115d21446926f68d5a9537bcb5c2c316a49544	144,804
103	0x58f2f452b5500a95e92b1c8b8ca44e996712606d	145,671
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105	0x781ade5b26e54acfe07bbcc9fa280b12f1b81a5b	146,059
106	0x92cf4d125b904864b016c8c10b7a8e8504060a4e	146,529
107	0xaed4fa526cbf10ccdf6278a871b3155d7ce21664	147,187
108	0x72c7ca996bb133acb16e9963c9f955a5b04edbb0	147,316
109	0xa1ba11daa1ca5307b8e31b2d418328bea6fdc6b7	148,268
110	0xd4268b450eb95946cd84500ca516bce781464969	148,791
111	0x37e77753fb405ecee1164b7179ca4800c99f5c7d8	149,929
	<b>TOTAL</b>	<b>13,864,869.01</b>



**Advanced Decentralized Blockchain Platform**

Whitepaper Version: 2.0

TRON Protocol Version: 3.2

TRON DAO

December 10th, 2018, San Francisco

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# 1. Introduction

## 1.1 Vision

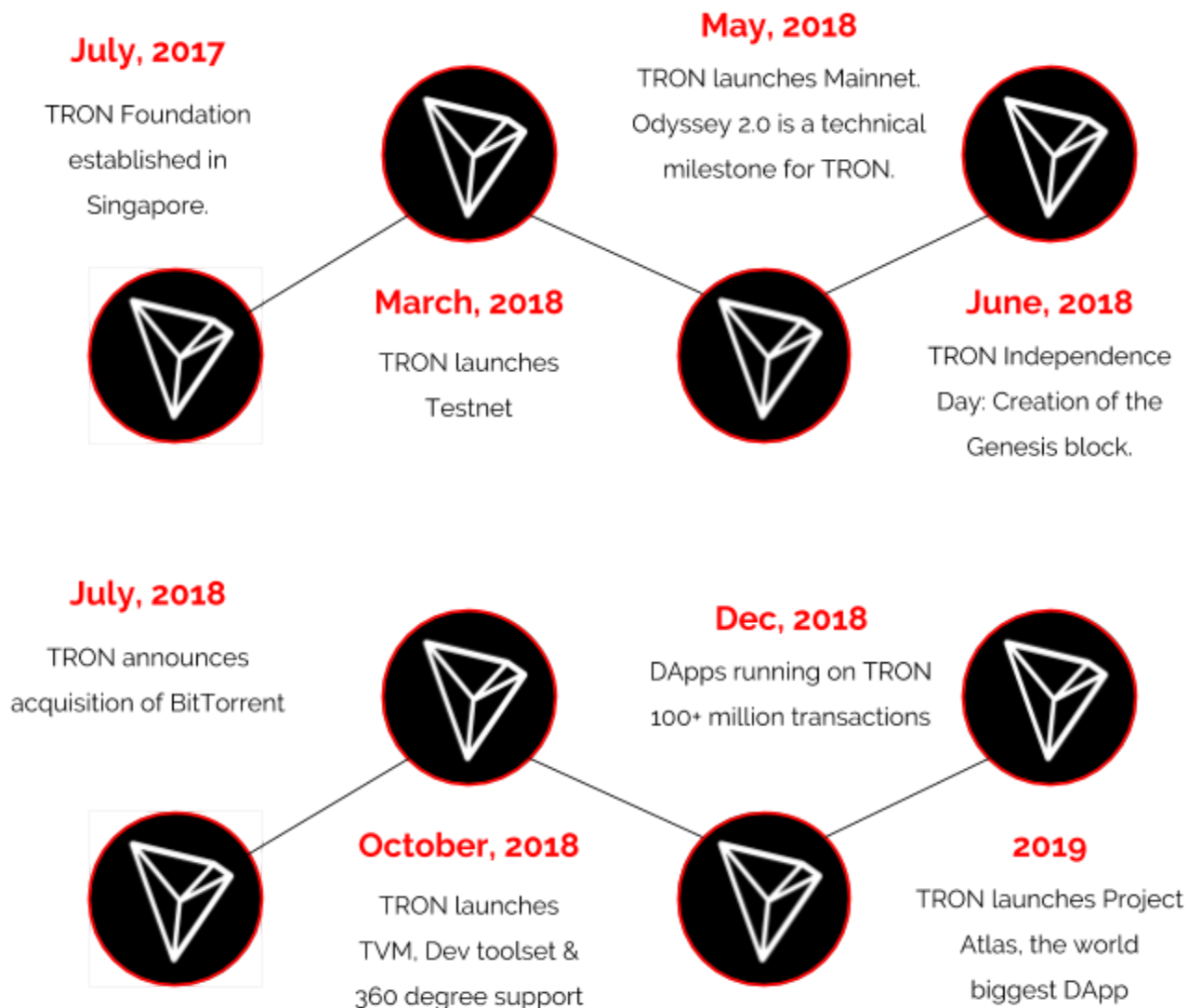
TRON is an ambitious project dedicated to the establishment of a truly decentralized Internet and its infrastructure. The TRON Protocol, one of the largest blockchain-based operating systems in the world, offers public blockchain support of high throughput, high scalability, and high availability for all Decentralized Applications (DApps) in the TRON ecosystem. The July 2018 acquisition of BitTorrent further cemented TRON's leadership in pursuing a decentralized ecosystem.

## 1.2 Background

The introduction of Bitcoin in 2009 revolutionized society's perception of the traditional financial system in the wake of the Great Recession (2007-2008). As centralized hedge funds and banks collapsed from speculation in opaque financial derivatives, blockchain technology provided a transparent universal ledger from which anybody could glean transaction information. The transactions were cryptographically secured using a Proof of Work (PoW) consensus mechanism, thus preventing double spend issues.

In late 2013, the Ethereum white paper proposed a network in which smart contracts and a Turing-complete Ethereum Virtual Machine (EVM) would allow developers to interact with the network through DApps. However, as transaction volumes in Bitcoin and Ethereum peaked in 2017, it was apparent from the low transaction throughput times and high transaction fees that cryptocurrencies like Bitcoin and Ethereum in their existing state were not scalable for widespread adoption. Thus, TRON was founded and envisioned as an innovative solution to these pressing scalability challenges.

## 1.3 History



The TRON DAO was established in July 2017 in Singapore. In December 2017, TRON had launched its open source protocol. The Testnet, Blockchain Explorer, and Web Wallet were all launched by March 2018. TRON Mainnet launched shortly afterward in May 2018, marking the Odyssey 2.0 release as a technical milestone. In June 2018, TRON declared its independence with the creation of the Genesis block, along with the July 2018 acquisition of BitTorrent. In October 2018, TRON launched the TRON Virtual Machine (TVM), a complete developers' toolset, and 360 support system. The TRON roadmap involves combining BitTorrent's 100 million users with the TRON network via Project Atlas, as well as fostering the developer community to launch exciting new DApps on the TRON network<sup>1</sup>.

<sup>1</sup> V1.0 is available at [https://tron.network/static/doc/white\\_paper\\_v\\_1\\_0.pdf](https://tron.network/static/doc/white_paper_v_1_0.pdf)

## 1.4 Terminology

### **Address/Wallet**

An address or wallet consisting of account credentials on the TRON network are generated by a key pair, which consists of a private key and a public key, the latter being derived from the former through an algorithm. The public key is usually used for session key encryption, signature verification, and encrypting data that could be decrypted by a corresponding private key.

### **ABI**

An application binary interface (ABI) is an interface between two binary program modules; usually one of these modules is a library or an operating system facility, and the other is a user run program.

### **API**

An application programming interface (API) is mainly used for user clients development. With API support, token issuance platforms can also be designed by developers themselves.

### **Asset**

In TRON's documents, asset is the same as token, which is also denoted as TRC-10 token.

### **Bandwidth Points (BP)**

To keep the network operating smoothly, TRON network transactions use BP as fuel. Each account gets 5000 free daily BP and more can be obtained by freezing TRX for BP. Both TRX and TRC-10 token transfers are normal transactions costing BP. Smart contract deployment and execution transactions consume both BP and Energy.

### **Block**

Blocks contain the digital records of transactions. A complete block consists of the magic number, block size, block header, transaction counter, and transaction data.

### **Block Reward**

Block production rewards are sent to a sub-account (address/wallet). Super Representatives can claim their rewards on Tronscan or through the API directly.

### **Block Header**

A block header is part of a block. TRON block headers contain the previous block's hash, the Merkle root, timestamp, version, and witness address.

**Cold Wallet**

Cold wallet, also known as offline wallet, keeps the private key completely disconnected from any network. Cold wallets are usually installed on "cold" devices (e.g. computers or mobile phones staying offline) to ensure the security of TRX private key.

**DApp**

Decentralized Application is an App that operates without a centrally trusted party. An application that enables direct interaction/agreements/communication between end users and/or resources without a middleman.

**gRPC**

gRPC<sup>2</sup> (gRPC Remote Procedure Calls) is an open source remote procedure call (RPC) system initially developed at Google. It uses HTTP/2 for transport, Protocol Buffers as the interface description language, and provides features such as authentication, bidirectional streaming and flow control, blocking or nonblocking bindings, and cancellation and timeouts. It generates cross-platform client and server bindings for many languages. Most common usage scenarios include connecting services in microservices style architecture and connecting mobile devices, and browser clients to backend services.

**Hot Wallet**

Hot wallet, also known as online wallet, allows user's private key to be used online, thus it could be susceptible to potential vulnerabilities or interception by malicious actors.

**JDK**

Java Development Kit is the Java SDK used for Java applications. It is the core of Java development, comprising the Java application environment (JVM+Java class library) and Java tools.

**KhaosDB**

TRON has a KhaosDB in the full-node memory that can store all the newly-forked chains generated within a certain period of time and supports witnesses to switch from their own active chain swiftly into a new main chain. See 2.2.2 State Storage for more details.

**LevelDB**

LevelDB was initially adopted with the primary goal to meet the requirements of fast R/W and rapid development. After launching the Mainnet, TRON upgraded its database to an entirely customized one catered to its very own needs. See 2.2.1 Blockchain Storage for more details.

**Merkle Root**

A Merkle root is the hash of all hashes of all transactions included as part of a block in a blockchain network. See 3.1 Delegated Proof of Stake (DPoS) for more details.

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<sup>2</sup> <https://en.wikipedia.org/wiki/gRPC>

### **Public Testnet (Shasta)**

A version of the network running in a single-node configuration. Developers can connect and test features without worrying about the economic loss. Testnet tokens have no value and anyone can request more from the public faucet.

### **RPC<sup>3</sup>**

In distributed computing, a remote procedure call (RPC) is when a computer program causes a procedure (subroutine) to execute in a different address space (commonly on another computer on a shared network), which is coded as if it were a normal (local) procedure call, without the programmer explicitly coding the details for the remote interaction.

### **Scalability**

Scalability is a feature of the TRON Protocol. It is the capability of a system, network, or process to handle a growing amount of work or its potential to be enlarged to accommodate that growth.

### **SUN**

SUN replaced drop as the smallest unit of TRX. 1 TRX = 1,000,000 SUN.

### **Throughput**

High throughput is a feature of TRON Mainnet. It is measured in Transactions Per Second (TPS), namely the maximum transaction capacity in one second.

### **Timestamp**

The approximate time of block production is recorded as Unix timestamp, which is the number of milliseconds that have elapsed since 00:00:00 01 Jan 1970 UTC.

### **TKC**

Token configuration.

### **TRC-10**

A standard of crypto token on TRON platform. Certain rules and interfaces are required to follow when holding an initial coin offering on TRON blockchain.

### **TRX**

TRX stands for Tronix, which is the official cryptocurrency of TRON.

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<sup>3</sup> [https://en.wikipedia.org/wiki/Remote\\_procedure\\_call](https://en.wikipedia.org/wiki/Remote_procedure_call)

## 2. Architecture

TRON adopts a 3-layer architecture divided into Storage Layer, Core Layer, and Application Layer. The TRON protocol adheres to Google Protobuf, which intrinsically supports multi-language extension.

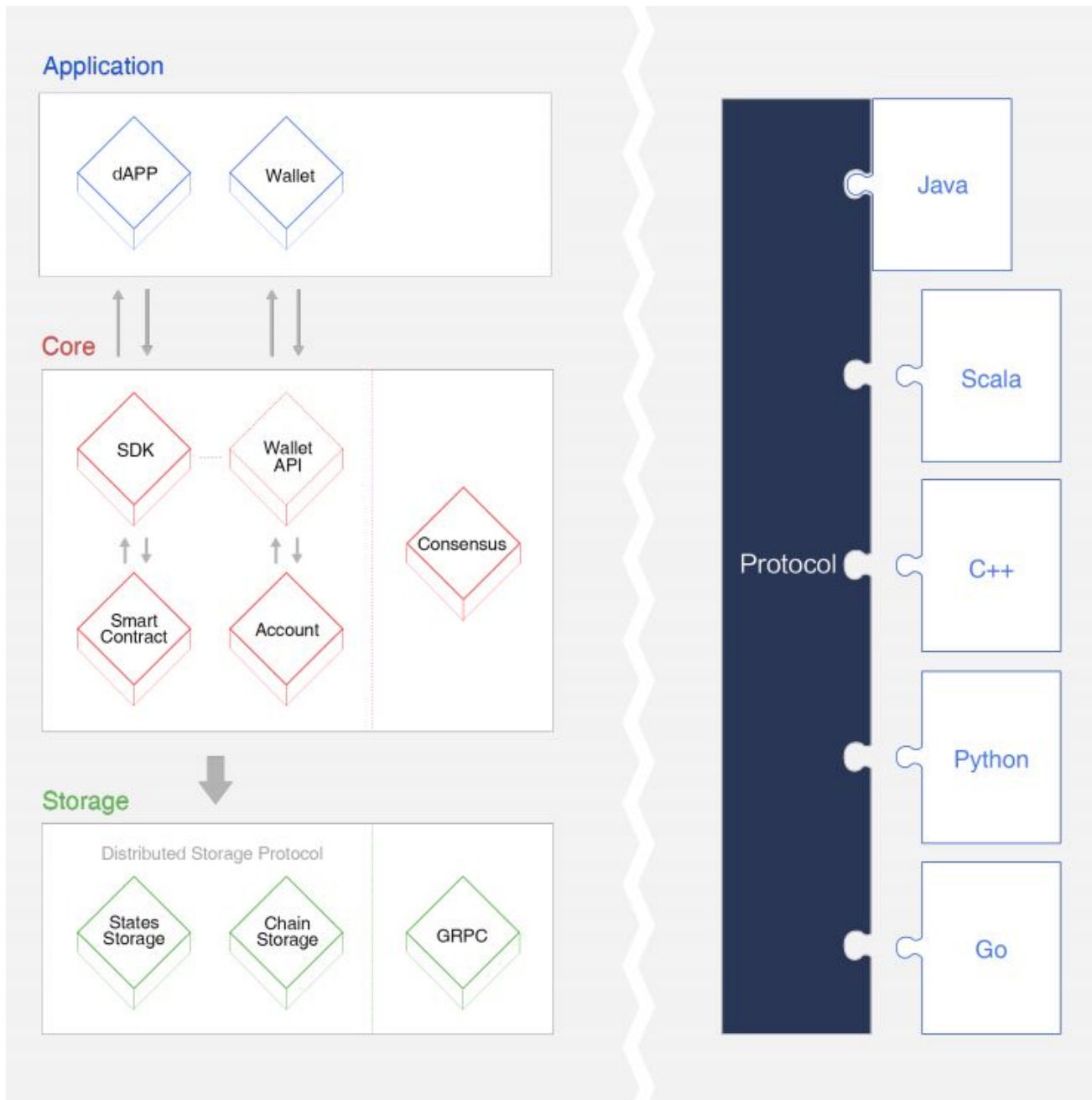


Figure 1: TRON 3-layer Architecture

## 2.1 Core

There are several modules in the core layer, including smart contracts, account management, and consensus. A stack-based virtual machine is implemented on TRON and an optimized instruction set is used. In order to better support DApp developers, Solidity<sup>4</sup> was chosen as the smart contract language, followed by future support of other advanced languages. In addition, TRON's consensus mechanism is based on Delegated Proof of Stake (DPoS) and many innovations were made in order to meet its unique requirements.

## 2.2 Storage

TRON designed a unique distributed storage protocol consisting of Block Storage and State Storage. The notion of a graph database was introduced into the design of the storage layer to better meet the need for diversified data storage in the real world.

### 2.2.1 Blockchain Storage

TRON blockchain storage chooses to use LevelDB, which is developed by Google and proven successful with many companies and projects. It has high performance and supports arbitrary byte arrays as both keys and values, singular get, put and delete, batched put and delete, bi-directional iterators, and simple compression using the very fast Snappy algorithm.

### 2.2.2 State Storage

TRON has a KhaosDB in the full-node memory that can store all the newly forked chains generated within a certain period of time and supports witnesses to switch from their own active chain swiftly into a new main chain. It can also protect blockchain storage by making it more stable from being terminating abnormally in an intermediate state.

## 2.3 Application

Developers can create a diverse range of DApps and customized wallets on TRON. Since TRON enables smart contracts to be deployed and executed, the opportunities of utility applications are unlimited.

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<sup>4</sup> Solidity official documentation: <https://solidity.readthedocs.io/>

## 2.4 Protocol

TRON protocol adheres to Google Protocol Buffers<sup>5</sup>, which is a language-neutral, platform-neutral, and extensible way of serializing structured data for use in communications protocols, data storage, and more.

### 2.4.1 Protocol Buffers

Protocol Buffers (Protobuf) is a flexible, efficient, automated mechanism for serializing structured data, similar to JSON or XML, but much smaller, faster and simpler.

Protobuf (.proto) definitions can be used to generate code for C++, Java, C#, Python, Ruby, Golang, and Objective-C languages through the official code generators. Various third-party implementations are also available for many other languages. Protobuf eases development for clients by unifying the API definitions and also optimizing data transfers. Clients can take the API .proto from TRON's protocol repository and integrate through the automatically-generated code libraries.

As a comparison, Protocol Buffers is 3 to 10 times smaller and 20 to 100 times faster than XML, with less ambiguous syntax. Protobuf generates data access classes that are easier to use programmatically.

### 2.4.2 HTTP

TRON Protocol provides a RESTful HTTP API alternative to the Protobuf API. They share the same interface but the HTTP API can be readily used in javascript clients.

## 2.5 TRON Virtual Machine (TVM)

The TVM is a lightweight, Turing complete virtual machine developed for TRON's ecosystem. The TVM connects seamlessly with the existing development ecosystem to provide millions of global developers with a custom-built blockchain system that is efficient, convenient, stable, secure, and scalable.

## 2.6 Decentralized Exchange (DEX)

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<sup>5</sup> Google Protocol Buffers official documentation: <https://developers.google.com/protocol-buffers/>

The TRON network natively supports decentralized exchange functions. A decentralized exchange consists of multiple trading pairs. A trading pair (notation “Exchange”) is an Exchange Market between TRC-10 tokens, or between a TRC-10 token and TRX. Any account can create a trading pair between any tokens, even if the same pair already exists on the TRON network. Trading and price fluctuations of the trading pairs follow the Bancor Protocol<sup>6</sup>. The TRON network stipulates that the weights of the two tokens in all trading pairs are equal, so the ratio of their balances is the price between them. For example, consider a trading pair containing two tokens, ABC and DEF. ABC has a balance of 10 million and DEF has a balance of 1 million. Since their weights are equal,  $10 \text{ ABC} = 1 \text{ DEF}$ . This means that the ratio of ABC to DEF is 10 ABC per DEF.

## 2.7 Implementation

The TRON blockchain code is implemented in Java and was originally a fork from EthereumJ.

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<sup>6</sup> Bancor Protocol official website: <https://about.bancor.network/protocol/>

## 3. Consensus

### 3.1 Delegated Proof of Stake (DPoS)

The earliest consensus mechanism is the Proof of Work (PoW) consensus mechanism. This protocol is currently implemented in Bitcoin<sup>7</sup> and Ethereum<sup>8</sup>. In PoW systems, transactions broadcast through the network are grouped together into nascent blocks for miner confirmation. The confirmation process involves hashing transactions using cryptographic hashing algorithms until a merkle root has been reached, creating a merkle tree:

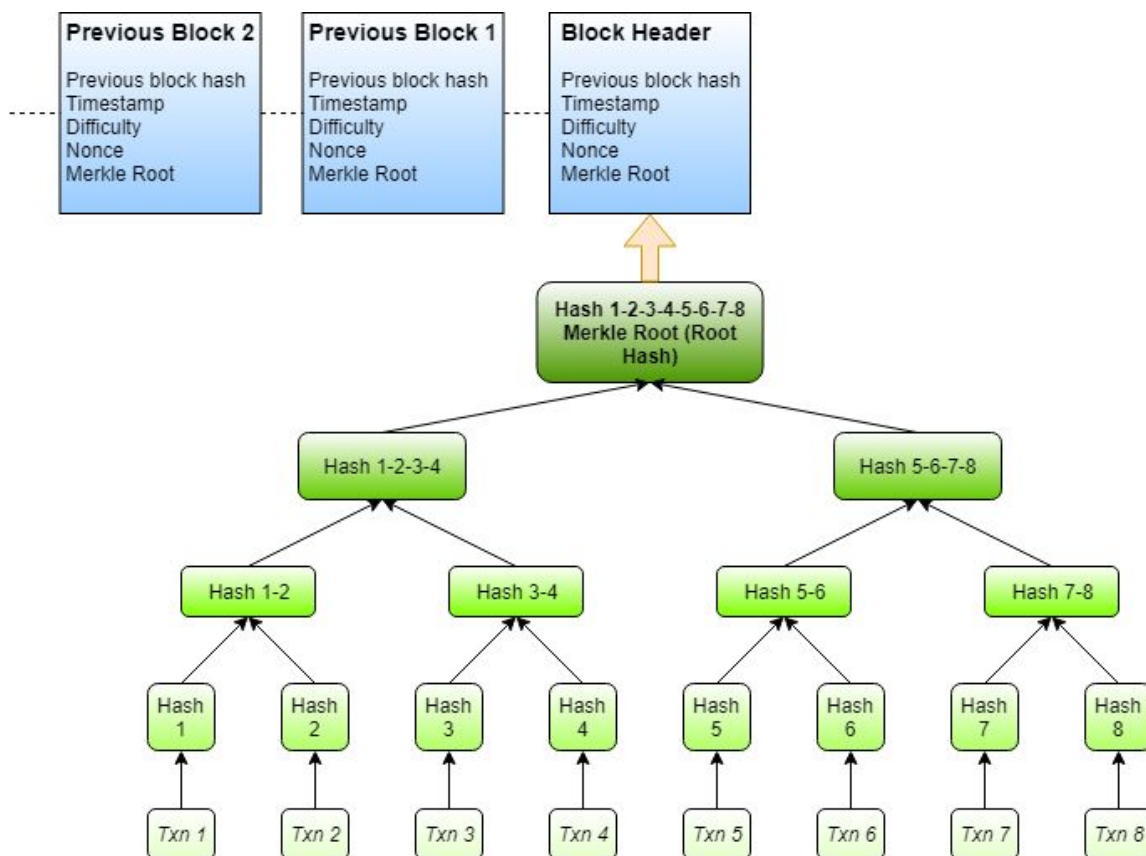


Figure 2: 8 TRX transactions are hashed into the merkle root. This merkle root is then included in the block header, which is attached to the previously confirmed blocks to form a blockchain. This allows for easy and transparent tracking of transactions, timestamps, and other related information.

<sup>7</sup> Bitcoin whitepaper: <https://bitcoin.org/bitcoin.pdf>

<sup>8</sup> Ethereum whitepaper: <https://github.com/ethereum/wiki/wiki/White-Paper>

Cryptographic hashing algorithms are useful in network attack prevention because they possess several properties<sup>9</sup>:

- **Input/Output length size** - The algorithm can pass in an input of any length in size, and outputs a fixed length hash value.
- **Efficiency** - The algorithm is relatively easy and fast to compute.
- **Preimage resistance** - For a given output  $z$ , it is impossible to find any input  $x$  such that  $h(x) = z$ . In other words, the hashing algorithm  $h(x)$  is a one-way function in which only the output can be found, given an input. The reverse is not possible.
- **Collision resistance** - It is computationally infeasible to find any pairs  $x_1 \neq x_2$  such that  $h(x_1) = h(x_2)$ . In other words, the probability of finding two different inputs hashing to the same output is extremely low. This property also implies *second preimage resistance*.
- **Second preimage resistance** - Given  $x_1$ , and thus  $h(x_1)$ , it is computationally infeasible to find any  $x_2$  such that  $h(x_1) = h(x_2)$ . While this property is similar to *collision resistance*, the property differs in that it is saying an attacker with a given  $x_1$  will find it computationally infeasible to find any  $x_2$  hashing to the same output.
- **Deterministic** - maps each input to one and only one output.
- **Avalanche effect** - a small change in the input results in an entirely different output.

These properties give the cryptocurrency network its intrinsic value by ensuring attacks do not compromise the network. When miners confirm a block, they are rewarded tokens as a built-in incentive for network participation. However, as the global cryptocurrency market capitalization steadily increased, the miners became centralized and focused their computing resources on hoarding tokens as assets, rather than for network participation purposes. CPU miners gave way to GPUs, which in turn gave way to powerful ASICs. In one notable study, the total power consumption of Bitcoin mining has been estimated to be as high as 3 GW<sup>10</sup>, comparable to Ireland's power consumption. This same study projected total power consumption to reach 8 GW in the near future.

To solve the energy waste issue, the Proof of Stake (PoS) consensus mechanism was proposed by many new networks. In PoS networks, token holders lock their token balances to become block validators. The validators take turns proposing and voting on the next block. However, the problem with standard PoS is that validator influence correlates directly to the amount of tokens locked up. This results in parties hoarding large amounts of the network's base currency wielding undue influence in the network ecosystem.

The TRON consensus mechanism uses an innovative Delegated Proof of Stake system in which 27 Super Representatives (SRs) produce blocks for the network. Every 6 hours, TRX account holders who freeze their accounts can vote for a selection of SR candidates, with the top 27 candidates deemed the SRs. Voters may choose SRs based on criteria such as projects sponsored by SRs to

<sup>9</sup> PAAR, C., PELZL, J., *Understanding Cryptography: A Textbook for Students and Practitioners*, 2010 ed. Springer-Verlag Berlin Heidelberg, 2010.

<sup>10</sup> <https://www.sciencedirect.com/science/article/pii/S2542435118301776>

increase TRX adoption, and rewards distributed to voters. This allows for a more democratized and decentralized ecosystem. SRs' accounts are normal accounts, but their accumulation of votes allows them to produce blocks. With the low throughput rates of Bitcoin and Ethereum due to their PoW consensus mechanism and scalability issues, TRON's DPoS system offers an innovative mechanism resulting in 2000 TPS compared to Bitcoin's 3 TPS and Ethereum's 15 TPS.

The TRON protocol network generates one block every three seconds, with each block awarding 32 TRX to Super Representatives. A total of 336,384,000 TRX will be awarded annually to the 27 SRs. Each time an SR finishes block production, rewards are sent to a sub-account in the super-ledger. SRs can check, but not directly make use of these TRX tokens. A withdrawal can be made by each SR once every 24 hours, transferring the rewards from the sub-account to the specified SR account.

The three types of nodes on the TRON network are Witness Node, Full Node, and Solidity Node. Witness nodes are set up by SRs and are mainly responsible for block production and proposal creation/voting. Full nodes provide APIs and broadcast transactions and blocks. Solidity nodes sync blocks from other Full Nodes and also provide indexable APIs.

## 4. Account

### 4.1 Types

The three types of accounts in the TRON network are regular accounts, token accounts, and contract accounts.

1. Regular accounts are used for standard transactions.
2. Token accounts are used for storing TRC-10 tokens.
3. Contract accounts are smart contract accounts created by regular accounts and can be triggered by regular accounts as well.

### 4.2 Creation

There are three ways to create a TRON account:

1. Create a new account through API
2. Transfer TRX into a new account address
3. Transfer any TRC-10 token into a new account address

An offline key-pair consisting of an address (public key) and a private key, and not recorded by the TRON network, can also be generated. The user address generation algorithm consists of generating a key-pair and then extracting the public key (64-byte byte array representing x, y coordinates). Hash the public key using the SHA3-256 function (the SHA3 protocol adopted is KECCAK-256) and extract the last 20 bytes of the result. Add 41 to the beginning of the byte array and ensure the initial address length is 21 bytes. Hash the address twice using SHA3-256 function and take the first 4 bytes as verification code. Add the verification code to the end of the initial address and obtain the address in base58check format through base58 encoding. An encoded Mainnet address begins with T and is 34 bytes in length.

### 4.3 Structure

The three different account types are Normal, AssetIssue, and Contract. An Account contains 7 parameters:

1. **account\_name**: the name for this account – e.g. BillsAccount.
2. **type**: what type of this account is – e.g. 0 (stands for type 'Normal').
3. **balance**: balance of this account – e.g. 4213312.

4. **vote**: received votes on this account – e.g. {(“0x1b7w...9xj3”,323), (“0x8dj...j12m”,88),...,(“0x82nd...mx6i”,10001)}.
5. **asset**: other assets expected TRX in this account – e.g. {<“WishToken”, 66666>, <“Dogie”, 233>}.
6. **latest\_operation\_time**: the latest operation time of this account.

Protobuf data structure:

```
message Account {
  message Vote {
    bytes vote_address = 1;
    int64 vote_count = 2;
  }
  bytes accout_name = 1;
  AccountType type = 2;
  bytes address = 3;
  int64 balance = 4;
  repeated Vote votes = 5;
  map<string, int64> asset = 6;
  int64 latest_operation_time = 10;
}
```

```
enum AccountType {
  Normal = 0;
  AssetIssue = 1;
  Contract = 2;
}
```

## 5. Block

A block typically contains a block header and several transactions.

Protobuf data structure:

```
message Block {
  BlockHeader block_header = 1;
  repeated Transaction transactions = 2;
}
```

### 5.1 Block Header

A block header contains **raw\_data**, **witness\_signature**, and **blockID**.

Protobuf data structure:

```
message BlockHeader {
  message raw {
    int64 timestamp = 1;
    bytes txTrieRoot = 2;
    bytes parentHash = 3;
    uint64 number = 4;
    uint64 version = 5;
    bytes witness_address = 6;
  }
  bytes witness_signature = 2;
  bytes blockID = 3;
}
```

#### 5.1.1 Raw Data

Raw data is denoted as **raw\_data** in Protobuf. It contains the raw data of a message, containing 6 parameters:

1. **timestamp**: timestamp of this message – e.g. 1543884429000.
2. **txTrieRoot**: the Merkle Tree's Root – e.g. 7dacs...3ed.
3. **parentHash**: the hash of the last block – e.g. 7dacs...3ed.
4. **number**: the block height – e.g. 4638708.
5. **version**: reserved – e.g. 5.

6. **witness\_address**: the address of the witness packed in this block – e.g. 41928c...4d21.

### 5.1.2 Witness Signature

Witness signature is denoted as **witness\_signature** in Protobuf, which is the signature for this block header from the witness node.

### 5.1.3 Block ID

Block ID is denoted as **blockID** in Protobuf. It contains the atomic identification of a block. A Block ID contains 2 parameters:

1. **hash**: the hash of block.
2. **number**: the hash and height of the block.

## 5.2 Transaction

### 5.2.1 Signing

TRON's transaction signing process follows a standard ECDSA cryptographic algorithm, with a SECP256K1 selection curve. A private key is a random number, and the public key is a point on the elliptic curve. The public key generation process consists of first generating a random number as a private key, and then multiplying the base point of the elliptic curve by the private key to obtain the public key. When a transaction occurs, the transaction raw data is first converted into byte format. The raw data then undergoes SHA-256 hashing. The private key corresponding to the contract address then signs the result of the SHA256 hash. The signature result is then added to the transaction.

### 5.2.2 Bandwidth Model

Ordinary transactions only consume bandwidth points, but smart contract operations consume both energy and bandwidth points. There are two types of bandwidth points available. Users can gain bandwidth points from freezing TRX, while 5000 free bandwidth points are also available daily.

When a TRX transaction is broadcast, it is transmitted and stored in the form of a byte array over the network. Bandwidth Points consumed by one transaction = number of transaction bytes multiplied by bandwidth points rate. For example, if the byte array length of a transaction is 200, then the transaction consumes 200 bandwidth points. However, if a TRX or token transfer results in the target account being created, then only the bandwidth points consumed to create the account will be deducted, and additional bandwidth points will not be deducted. In an account creation scenario, the network will first consume the bandwidth points that the transaction initiator gained

from freezing TRX. If this amount is insufficient, then the network consumes the transaction initiator's TRX.

In standard TRX transfer scenarios from one TRX account to another, the network first consumes the bandwidth points gained by the transaction initiator for freezing TRX. If that is insufficient, it then consumes from the free 5000 daily bandwidth points. If that is still not enough, then the network consumes the TRX of the transaction initiator. The amount is calculated by the number of bytes in the transaction multiplied by 10 SUN. Thus, for most TRX holders who may not necessarily freeze their TRX to participate in SR voting, the first step is automatically skipped (since TRX balance frozen = 0) and the 5000 daily free bandwidth powers the transaction.

For TRC-10 token transfers, the network first verifies whether the total free bandwidth points of the issued token asset are sufficient. If not, the bandwidth points obtained from freezing TRX are consumed. If there is still not enough bandwidth points, then it consumes the TRX of the transaction initiator.

### 5.2.3 Fee

TRON network generally does not charge fees for most transactions, however, due to system restrictions and fairness, bandwidth usage and transactions do take in certain fees.

Fee charges are broken down into the following categories:

1. Normal transactions cost bandwidth points. Users can use the free daily bandwidth points (5000) or freeze TRX to obtain more. When bandwidth points are not enough, TRX will be used directly from the sending account. The TRX needed is the number of bytes \* 10 SUN.
2. Smart contracts cost energy (Section 6) but will also need bandwidth points for the transaction to be broadcasted and confirmed. The bandwidth cost is the same as above.
3. All query transactions are free. It doesn't cost energy or bandwidth.

TRON network also defines a set of fixed fees for the following transactions:

1. Creating a witness node: 9999 TRX
2. Issuing a TRC-10 token: 1024 TRX
3. Creating a new account: 0.1 TRX
4. Creating an exchange pair: 1024 TRX

### 5.2.4 Transaction as Proof of Stake (TaPoS)

TRON uses TaPoS to ensure the transactions all confirm the main blockchain, while making it difficult to forge counterfeit chains. In TaPoS, the networks require each transaction include part of the hash of a recent block header. This requirement prevents transactions from being replayed on forks not including the referenced block, and also signals the network that a particular user and their

stake are on a specific fork. This consensus mechanism protects the network against Denial of Service, 51%, selfish mining, and double spend attacks.

## 5.2.5 Transaction Confirmation

A transaction is included in a future block after being broadcast to the network. After 19 blocks are mined on TRON (including its own block), the transaction is confirmed. Each block is produced by one of the top 27 Super Representatives in a round robin fashion. Each block takes ~3 seconds to be mined on the blockchain. Time may slightly vary for each Super Representative due to network conditions and machine configurations. In general, a transaction is considered fully confirmed after ~1 minute.

## 5.2.6 Structure

Transaction APIs consist of the following functions:

```
message Transaction {
  message Contract {
    enum ContractType {
      AccountCreateContract = 0; // Create account/wallet
      TransferContract = 1; // Transfer TRX
      TransferAssetContract = 2; // Transfer TRC10 token
      VoteWitnessContract = 4; // Vote for Super Representative (SR)
      WitnessCreateContract = 5; // Create a new SR account
      AssetIssueContract = 6; // Create a new TRC10 token
      WitnessUpdateContract = 8; // Update SR information
      ParticipateAssetIssueContract = 9; // Purchase TRC10 token
      AccountUpdateContract = 10; // Update account/wallet information
      FreezeBalanceContract = 11; // Freeze TRX for bandwidth or energy
      UnfreezeBalanceContract = 12; // Unfreeze TRX
      WithdrawBalanceContract = 13; // Withdraw SR rewards, once per day
      UnfreezeAssetContract = 14; // Unfreeze TRC10 token
      UpdateAssetContract = 15; // Update a TRC10 token's information
      ProposalCreateContract = 16; // Create a new network proposal by any SR
      ProposalApproveContract = 17; // SR votes yes for a network proposal
      ProposalDeleteContract = 18; // Delete a network proposal by owner
      CreateSmartContract = 30; // Deploy a new smart contract
      TriggerSmartContract = 31; // Call a function on a smart contract
      GetContract = 32; // Get an existing smart contract
      UpdateSettingContract = 33; // Update a smart contract's parameters
      ExchangeCreateContract = 41; // Create a token trading pair on DEX
      ExchangeInjectContract = 42; // Inject funding into a trading pair
    }
  }
}
```

```
ExchangeWithdrawContract = 43; // Withdraw funding from a trading pair
ExchangeTransactionContract = 44; // Perform token trading
UpdateEnergyLimitContract = 45; // Update origin_energy_limit on a
smart contract
    }
  }
}
```

## 6. TRON Virtual Machine (TVM)

### 6.1 Introduction

TRON Virtual Machine (TVM) is a lightweight, Turing complete virtual machine developed for the TRON's ecosystem. Its goal is to provide a custom-built blockchain system that is efficient, convenient, stable, secure and scalable.

TVM initially forked from EVM<sup>11</sup> and can connect seamlessly with the existing solidity smart contract development ecosystem. Based on that, TVM additionally supports DPoS consensus.

TVM employs the concept of Energy. Different from the Gas mechanism on EVM, operations of transactions and smart contracts on TVM are free, with no TRX consumed. Technically, executable computation capacity on TVM is not restricted by total holding amount of tokens.

### 6.2 Workflow

The compiler first translates the Solidity smart contract into bytecode readable and executable on the TVM. The TVM then processes data through opcode, which is equivalent to operating the logic of a stack-based finite state machine. Finally, the TVM accesses blockchain data and invokes External Data Interface through the Interoperation layer.

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<sup>11</sup> EVM: Ethereum Virtual Machine (<https://github.com/ethereum/ethereumj>)

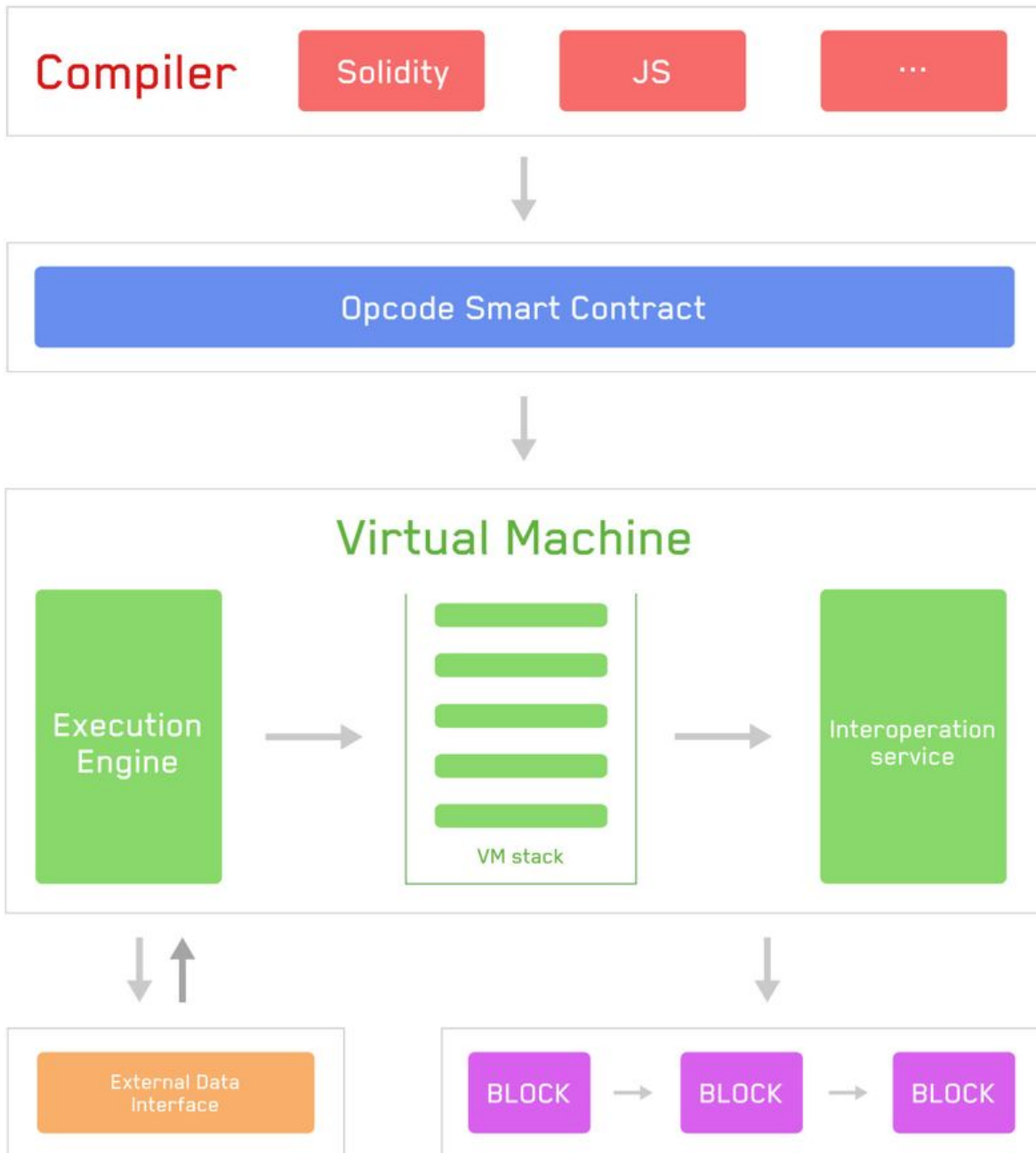


Figure 3: TVM Workflow

## 6.3 Performance

### 6.3.1 Lightweight Architecture

TVM adopts a lightweight architecture with the aim of reducing resource consumption to guarantee system performance.

### 6.3.2 Robust

TRX transfers and smart contract execution cost bandwidth points only, instead of TRX, which exempts TRON from being attacked. Bandwidth consumption is predictable and static since each computational step cost is fixed.

### 6.3.3 High Compatibility

TVM is compatible with EVM and will be compatible with more mainstream VMs in the future. Thereby, all smart contracts on EVM are executable on TVM.

### 6.3.4 Low Cost

Due to TVM's bandwidth setup, development costs are reduced and developers can focus on the logic development of their contract code. TVM also offers all-in-one interfaces for contract deployment, triggering and viewing to offer the convenience for developers.

## 7. Smart Contract

### 7.1 Introduction

A smart contract is a protocol that digitally verifies contract negotiation. They define the rules and penalties related to an agreement and also automatically enforce those obligations. The smart contract code facilitates, verifies, and enforces the negotiation or performance of an agreement or transaction. From a tokenization perspective, smart contracts also facilitate automatic funds transfers between participating parties should certain criteria be met.

TRON smart contracts are written in the Solidity language. Once written and tested, they can be compiled into bytecode, then deployed onto the TRON network for the TRON Virtual Machine. Once deployed, smart contracts can be queried via their contract addresses. The contract Application Binary Interface (ABI) shows the contract's call functions and is used for interacting with the network.

### 7.2 Energy Model

The maximum energy limit for deploying and triggering a smart contract is a function of several variables:

- Dynamic energy from freezing 1 TRX is  $50,000,000,000 \text{ (Total Energy Limit)} / \text{(Total Energy Weight)}$
- Energy limit is the daily account energy limit from freezing TRX
- Remaining daily account energy from freezing TRX is calculated as  $\text{Energy Limit} - \text{Energy Used}$
- Fee limit in TRX is set in smart contract deploy/trigger call
- Remaining usable TRX in the account
- Energy per TRX if purchased directly ( $10 \text{ SUN} = 1 \text{ Energy}$ ) = 100,000, SRs can vote on adjustment

There are two consumption scenarios to calculate for maximum energy limit for deployment and trigger. The logic can be expressed as follows:

```
const R = Dynamic Energy Limit
const F = Daily account energy from freezing TRX
const E = Remaining daily account energy from freezing TRX
const L = Fee limit in TRX set in deploy/trigger call
const T = Remaining usable TRX in account
```

```
const C = Energy per TRX if purchased directly

// Calculate M, defined as maximum energy limit for deployment/trigger of
smart contract
if F > L*R
    let M = min(E+T*C, L*R)
else
    let M = E+T*C
```

## 7.3 Deployment

When a TRON solidity smart contract is compiled, the TRON Virtual Machine reads the compiled bytecode. The bytecode consists of a section for code deployment, contract code, and the Auxdata. The Auxdata is the source code's cryptographic fingerprint, used for verification. The deployment bytecode runs the constructor function and sets up the initial storage variables. The deployment code also calculates the contract code and returns it to the TVM. The ABI is a JSON file that describes a TRON smart contract's functions. This file defines the function names, their payability, the function return values, and their state mutability.

## 7.4 Trigger Function

Once the TRON smart contracts are deployed, their functions can be triggered individually either via TronStudio or through API calls. State-changing functions require Energy while read-only functions execute without Energy.

## 7.5 TRON Solidity

TRON Solidity is a fork from Ethereum's Solidity language. TRON modifies the original project to support TRX and SUN units (1 TRX = 1,000,000 SUN). The rest of the language syntax is compatible with Solidity ^0.4.24. Thus the Tron Virtual Machine (TVM) is almost 100% compatible with EVM instructions.

## 8. Token

### 8.1 TRC-10 Token

In the TRON network, each account can issue tokens at the expense of 1024 TRX. To issue tokens, the issuer needs to specify a token name, the total capitalization, the exchange rate to TRX, circulation duration, description, website, maximum bandwidth consumption per account, total bandwidth consumption, and the amount of token frozen. Each token issuance can also configure each account's maximum daily token transfer Bandwidth Points, the entire network's maximum daily token transfer Bandwidth Points, total token supply, locking duration in days, and the total amount of tokens locked.

### 8.2 TRC-20 Token

TRC-20 is a technical standard used for smart contracts implementing tokens supported by the TRON Virtual Machine. It is fully compatible with ERC-20.

The interface is as follows:

```
contract TRC20Interface {
    function totalSupply() public constant returns (uint);
    function balanceOf(address tokenOwner) public constant returns (uint
balance);
    function allowance(address tokenOwner, address spender) public constant
returns (uint remaining);
    function transfer(address to, uint tokens) public returns (bool success);
    function approve(address spender, uint tokens) public returns (bool
success);
    function transferFrom(address from, address to, uint tokens) public
returns (bool success);

    event Transfer(address indexed from, address indexed to, uint tokens);
    event Approval(address indexed tokenOwner, address indexed spender, uint
tokens);
}
```

From a developer's perspective, there are several differences between TRC-10 and TRC-20. Some of the key differences are that TRC-10 tokens are accessible by APIs and smart contracts while TRC-20 tokens allow for interface customization but are only accessible within smart contracts.

From a cost perspective, TRC-10 tokens have transaction fees that are 1000 times lower than TRC-20, but carry bandwidth costs for API transfers and deposits. Transfers and deposits in smart contracts for TRC-10 tokens cost both bandwidth and energy.

## 8.3 Beyond

Since TRON uses the same Solidity version as Ethereum, more token standards could be readily ported to TRON.

## 9. Governance

### 9.1 Super Representative

#### 9.1.1 General

Every account in the TRON network can apply and have the opportunity to become a Super Representative (denoted as SR). Everyone can vote for SR candidates. The top 27 candidates with the most votes will become SRs with the right and obligation to generate blocks. The votes are counted every 6 hours and the SRs will change accordingly.

To prevent malicious attacks, there is a cost to becoming an SR candidate. When applying, 9999 TRX will be burned from the applicant's account. Once successful, such account can join the SR election.

#### 9.1.2 Election

TRON Power (denoted as TP) is needed to vote and the amount of TP depends on the voter's frozen assets (TRX).

TP is calculated in the following way:

$$1 TP = 1 TRX \text{ frozen to get bandwidth}$$

Every account in the TRON network has the right to vote for their own SRs.

After the release (unfreeze, available after 3 days), users won't have any frozen assets and lose all TP accordingly. As a result, all votes become invalid for the ongoing and future voting round unless TRX is frozen again to vote.

Note that the TRON network only records the most recent vote, which means that every new vote will negate all previous votes.

#### 9.1.3 Reward

##### a. Vote Reward

Also known as Candidate Reward, which the top 127 candidates updated once every round (6 hours) will share 115,200 TRX as mined. The reward will be split in accordance with the vote weight each candidate receives. Each year, the total reward for candidates will be 168,192,000 TRX.

#### **Total vote reward per round**

Why 115,200 TRX every round?

$$115,200 \text{ TRX} = \text{total vote reward per round } (V R/\text{round})$$

$$V R/\text{round} = 16 \text{ TRX/block} \times 20 \text{ blocks/min} \times 60 \text{ mins/hr} \times 6 \text{ hrs/round}$$

Notice: this is set by WITNESS\_STANDBY\_ALLOWANCE = 115,200 TRX. See dynamic network parameters.

#### **Total vote reward per year**

Why 168,192,000 TRX every year?

$$168,192,000 \text{ TRX} = \text{total vote reward per year } (V R/\text{year})$$

$$V R/\text{year} = 115,200 \text{ TRX/round} \times 4 \text{ rounds/day} \times 365 \text{ days/year}$$

#### b. Block Reward

Also known as Super Representative Reward, which the top 27 candidates (SRs) who are elected every round (6 hours) will share roughly 230,400 TRX as mined. The reward will be split evenly between the 27 SRs (minus the total reward blocks missed due to network error). A total of 336,384,000 TRX will be awarded annually to the 27 SRs.

#### **Total block reward per round**

Why 230,400 TRX every round?

$$230,400 \text{ TRX} = \text{total block reward per round } (BR/\text{round})$$

$$BR/\text{round} = 32 \text{ TRX/block} \times 20 \text{ blocks/min} \times 60 \text{ mins/hr} \times 6 \text{ hrs/round}$$

Notice: the unit block reward is set by WITNESS\_PAY\_PER\_BLOCK = 32 TRX. See dynamic network parameters.

#### **Total block reward per year**

Why 336,384,000 TRX every year?

$$336,384,000 \text{ TRX} = \text{total block reward per year } (BR/\text{year})$$

$$BR/\text{year} = 230,400 \text{ TRX/round} \times 4 \text{ rounds/day} \times 365 \text{ days/year}$$

#### **January 1, 2021**

There will be no inflation on the TRON network before January 1, 2021, and the TRON DAO will award all block rewards and candidate rewards prior to that date.

#### c. Reward Calculation

**SR reward calculation**

$$\text{total reward} = \text{vote reward (VR)} + \text{block reward (BR)}$$

$$VR = \text{total VR} \times \frac{\text{votes SR candidate received}}{\text{total votes}}$$

$$BR = \frac{\text{total BR}}{27} - \text{block missed} \times 32$$

Note: the reward is calculated per SR per round (6 hours)

**Rank 28 to rank 127 SR candidate reward calculation**

$$\text{total reward} = \text{vote reward (VR)}$$

$$VR = \text{total VR} \times \frac{\text{votes SR candidate received}}{\text{total votes}}$$

Note: the reward is calculated per SR candidate per round (6 hours)

## 9.2 Committee

### 9.2.1 General

The committee is used to modify TRON dynamic network parameters, such as block generation rewards, transaction fees, etc. The committee consists of the 27 SRs in the current round. Each SR has the right to propose and vote on proposals. When a proposal receives 19 votes or more, it is approved and the new network parameters will be applied in the next maintenance period (3 days).

### 9.2.2 Dynamic Network Parameters

**0. MAINTENANCE\_TIME\_INTERVAL****a. Description**

Modify the maintenance interval time in ms. Known as the SR vote interval time per round.

**b. Example**

[6 \* 3600 \* 1000] ms - which is 6 hours.

**c. Range**

[3 \* 27 \* 1000, 24 \* 3600 \* 1000] ms

**1. ACCOUNT\_UPGRADE\_COST****a. Description**

Modify the cost of applying for SR account.

**b. Example**

[9,999,000,000] SUN - which is 9,999 TRX.

**c. Range**

[0,100 000 000 000 000] SUN

**2. CREATE\_ACCOUNT\_FEE****a. Description**

Modify the account creation fee.

- b. Example  
[100,000] SUN - which is 1 TRX.
  - c. Range  
[0,100 000 000 000 000 000] SUN
- 3. TRANSACTION\_FEE
  - a. Description  
Modify the amount of fee used to gain extra bandwidth.
  - b. Example  
[10] SUN/byte.
  - c. Range  
[0,100 000 000 000 000 000] SUN/byte
- 4. ASSET\_ISSUE\_FEE
  - a. Description  
Modify asset issuance fee.
  - b. Example  
[1024,000,000] SUN - which is 1024 TRX.
  - c. Range  
[0,100 000 000 000 000 000] SUN
- 5. WITNESS\_PAY\_PER\_BLOCK
  - a. Description  
Modify SR block generation reward. Known as unit block reward.
  - b. Example  
[32,000,000] SUN - which is 32 TRX.
  - c. Range  
[0,100 000 000 000 000 000] SUN
- 6. WITNESS\_STANDBY\_ALLOWANCE
  - a. Description  
Modify the rewards given to the top 127 SR candidates. Known as total vote reward per round.
  - b. Example  
[115,200,000,000] SUN - which is 115,200 TRX.
  - c. Range  
[0,100 000 000 000 000 000] SUN
- 7. CREATE\_NEW\_ACCOUNT\_FEE\_IN\_SYSTEM\_CONTRACT
  - a. Description  
Modify the cost of account creation. Combine dynamic network parameters #8 to get total account creation cost:  
 $CREATE\_NEW\_ACCOUNT\_FEE\_IN\_SYSTEM\_CONTRACT \times CREATE\_NEW\_ACCOUNT\_BANDWIDTH\_RATE$
  - b. Example  
[0] SUN.
  - c. Range  
[0,100 000 000 000 000 000] SUN
- 8. CREATE\_NEW\_ACCOUNT\_BANDWIDTH\_RATE

- a. Description  
Modify the cost of account creation. Combine dynamic network parameters #7 to get total account creation cost:  
 $CREATE\_NEW\_ACCOUNT\_FEE\_IN\_SYSTEM\_CONTRACT \times CREATE\_NEW\_ACCOUNT\_BANDWIDTH\_RATE$
  - b. Example  
[1].
  - c. Range  
[0,100,000,000,000,000,000]
9. ALLOW\_CREATION\_OF\_CONTRACTS
- a. Description  
To turn on Tron Virtual Machine (TVM).
  - b. Example  
True - set to activate and effect since 10/10/2018 23:47 UTC.
  - c. Range  
True/False
10. REMOVE\_THE\_POWER\_OF\_THE\_GR
- a. Description  
Remove the initial GR genesis votes
  - b. Example  
True - effected at 11/4/2018 08:46 UTC.
  - c. Range  
True/False - Notice: cannot set back to False from True.
11. ENERGY\_FEE
- a. Description  
Modify the fee of 1 energy.
  - b. Example  
20 SUN.
  - c. Range  
[0,100 000 000 000 000 000] SUN
12. EXCHANGE\_CREATE\_FEE
- a. Description  
Modify the cost of trading pair creation. Known as the cost of creating a trade order.
  - b. Example  
[1,024,000,000] SUN - which is 1024 TRX.
  - c. Range  
[0,100 000 000 000 000 000] SUN
13. MAX\_CPU\_TIME\_OF\_ONE\_TX
- a. Description  
Modify the maximum execution time of one transaction. Known as the timeout limit of one transaction.
  - b. Example  
50 ms.
  - c. Range

[0, 1000] ms

14. ALLOW\_UPDATE\_ACCOUNT\_NAME

- a. Description  
Modify the option to let an account update their account name.
- b. Example  
False - which is available to propose from java-tron Odyssey v3.2.
- c. Range  
True/False - Notice: cannot set back to False from True.

15. ALLOW\_SAME\_TOKEN\_NAME

- a. Description  
Modify the validation of allowing different token have a duplicate name.
- b. Example  
False - which is available to propose from java-tron Odyssey v3.2.
- c. Range  
True/False - Notice: cannot set back to False from True.

16. ALLOW\_DELEGATE\_RESOURCE

- a. Description  
Modify the validation of allowing to issue token with a duplicate name, so the **tokenID** of the token, in long integer data type, would be the only atomic identification of a token.
- b. Example  
False - which is available to propose from java-tron Odyssey v3.2.
- c. Range  
True/False - Notice: cannot set back to False from True.

17. TOTAL\_ENERGY\_LIMIT

- a. Description  
Modify the whole network total energy limit.
- b. Example  
[50,000,000,000,000,000] SUN - which is 50,000,000,000 TRX.
- c. Range  
[0,100,000,000,000,000,000] SUN

18. ALLOW\_TVM\_TRANSFER\_TRC10

- a. Description  
Allow TRC-10 token transfer within smart contracts.  
ALLOW\_UPDATE\_ACCOUNT\_NAME, ALLOW\_SAME\_TOKEN\_NAME,  
ALLOW\_DELEGATE\_RESOURCE proposals must all be approved before proposing  
this parameter change.
- b. Example  
False - which is available to propose from java-tron Odyssey v3.2.
- c. Range  
True/False - Notice: cannot set back to False from True.

### 9.2.3 Create Proposal

Only the SR accounts have the rights to propose a change in dynamic network parameters.

### 9.2.4 Vote Proposal

Only committee members (SRs) can vote for a proposal and the member who does not vote in time will be considered as a disagree. The proposal is active for 3 days after it is created. The vote can be changed or retrieved during the 3-days voting window. Once the period ends, the proposal will either succeed (19+ votes) or fail (and end).

### 9.2.5 Cancel Proposal

The proposer can cancel the proposal before it becomes effective.

## 9.3 Structure

SRs are the witnesses of newly generated blocks. A witness contains 8 parameters:

1. **address**: the address of this witness – e.g. 0xu82h...7237.
2. **voteCount**: number of received votes on this witness – e.g. 234234.
3. **pubKey**: the public key for this witness – e.g. 0xu82h...7237.
4. **url**: the url for this witness – e.g. https://www.noonetrust.com.
5. **totalProduced**: the number of blocks this witness produced – e.g. 2434.
6. **totalMissed**: the number of blocks this witness missed – e.g. 7.
7. **latestBlockNum**: the latest height of block – e.g. 4522.
8. **isJobs**: a boolean flag.

Protobuf data structure:

```
message Witness{
  bytes address = 1;
  int64 voteCount = 2;
  bytes pubKey = 3;
  string url = 4;
  int64 totalProduced = 5;
  int64 totalMissed = 6;
  int64 latestBlockNum = 7;
  bool isJobs = 8;
}
```

## 10. DApp Development

### 10.1 APIs

The TRON network offers a wide selection of over 60+ HTTP API gateways for interacting with the network via Full and Solidity Nodes. Additionally, TronWeb is a comprehensive JavaScript library containing API functions that enable developers to deploy smart contracts, change the blockchain state, query blockchain and contract information, trade on the DEX, and much more. These API gateways can be directed towards a local privatenet, the Shasta testnet, or the TRON Mainnet.

### 10.2 Networks

TRON has both a Shasta testnet as well as a Mainnet. Developers may connect to the networks by deploying nodes, interacting via TronStudio, or using APIs via the TronGrid service. The TronGrid service consists of load balanced node clusters hosted on AWS servers worldwide. As DApp development scales up and API call volumes increase, TronGrid successfully fields the increase in API traffic.

### 10.3 Tools

TRON offers a suite of development tools for enabling developers to create innovative DApps. TronBox is a framework that allows developers to test and deploy smart contracts via the TronWeb API. TronGrid is a load balanced and hosted API service that allows developers to access the TRON network without having to run their own node. TronGrid offers access to both the Shasta testnet as well as the TRON Mainnet. TronStudio is a comprehensive Integrated Development Environment (IDE) that enables developers to compile, deploy, and debug their Solidity smart contracts. TronStudio contains an internal full node that creates a private local environment for smart contract testing prior to deployment. The TronWeb API library connects developers to the network via a wide selection of HTTP API calls wrapped in JavaScript.

### 10.4 Resources

The TRON Developer Hub is a comprehensive API documentation<sup>12</sup> site tailored towards developers wishing to build on the TRON network. The Developer Hub provides a high-level conceptual understanding of TRON and walks users through the details of interacting with the

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<sup>12</sup> Developer Hub: <https://developers.tron.network/>

network. The guides walk developers through node setup, deployment and interaction with smart contracts, API interaction and implementation, building sample DApps, and using each of the developer tools. Additionally, developer community channels are available through Discord<sup>13</sup>.

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<sup>13</sup> Discord: <https://discordapp.com/invite/GsRgsTD>

## 11. Conclusion

TRON is a scalable blockchain solution that has employed innovative methods for tackling challenges faced by legacy blockchain networks. Having reached over 2M transactions per day, with over 700K TRX accounts, and surpassing 2000 TPS, TRON has enabled the community in creating a decentralized and democratized network.