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Appendix A

**UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

No. 22-16348

UNITED STATES OF AMERICA,

Plaintiff-Appellee,

v.

BATTLE BORN INVESTMENTS COMPANY, LLC; *et al.*,

*Claimants-
Appellants,*

v.

APPROXIMATELY 69,370 BITCOIN (BTC), BITCOIN GOLD
(BTG) BITCOIN SV (BSV) and BITCOIN CASH (BCH),

Defendant.

NOT FOR PUBLICATION

Filed August 18, 2023

Docket Entry 31-1

Appeal from the United States District Court for the
Northern District of California, No. 3:20-cv-07811-RS
Richard Seeborg, Chief District Judge, Presiding

Argued and Submitted June 8, 2023

San Francisco, California

MEMORANDUM*

Before: MILLER and KOH, Circuit Judges, and LYNN,** District Judge.

In this civil forfeiture case, Claimants-Appellants First 100, LLC, 1st One Hundred Holdings, LLC, and Battle Born Investments Company, LLC (collectively, “the Battle Born parties”) appeal the district court’s order granting the government’s motion to strike their claims for lack of Article III standing. We have jurisdiction to review the Battle Born parties’ appeal under 28 U.S.C. § 1291.

The parties are familiar with the facts recounted in the government’s Amended Complaint for Forfeiture regarding the seizure of 69,370.22491543 Bitcoin (BTC), Bitcoin Gold (BTG), Bitcoin SV (BSV), and Bitcoin Cash (BCH) (“Defendant Property”), seized from Bitcoin address 1HQ3Go3ggs8pFnXu HVHRytPCq5fGG8Hbhx (the “1HQ3” wallet) after it was stolen from the online Silk Road marketplace by “Individual X,” so we do not recite them here. First 100, LLC and 1st One Hundred Holdings, LLC (together, the “First 100 claimants”) jointly filed a verified claim, and Battle Born Investments filed a separate verified claim, of ownership of all of the Defendant Property.

Both claims arise out of a Chapter 7 bankruptcy action filed in the United States Bankruptcy Court,

* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

** The Honorable Barbara M. G. Lynn, United States District Judge for the Northern District of Texas, sitting by designation.

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District of Nevada, Case No. 17-14166-BTB (“Bankruptcy Action”). Both claims assert that the Bankruptcy Action was filed by an individual who, upon information and belief, is, or is associated with, Individual X. The First 100 claim states that, in March 2017, the First 100 claimants jointly and severally obtained a \$2,211,039,718.46 judgment against the bankruptcy debtor. Accordingly, the First 100 claimants assert they are innocent owners of all of the Defendant Property pursuant to their status as judgment creditors.

The verified claim filed by Battle Born Investments states that, in March 2018, Battle Born Investments entered into an agreement to purchase from the Chapter 7 trustee all assets of the bankruptcy estate, and that the bitcoin recovered from the 1HQ3 wallet “belonged to what we assert to be Individual X,” or a party associated with Individual X. Accordingly, Battle Born Investments asserts it is an innocent owner of all of the Defendant Property pursuant to its status as the purchaser of the bankruptcy estate.

Neither of the claims filed by the Battle Born parties identify the debtor that the parties assert to be or associated with Individual X. However, it is undisputed that when the claims were filed, the Battle Born parties knew the debtor in the Bankruptcy Action was an individual named Raymond Ngan.

The government moved to strike the Battle Born parties’ claims. In granting the motion, the district court explained that the Battle Born parties had made only conclusory allegations that the 1HQ3 wallet belongs to Ngan’s bankruptcy estate, and therefore

failed to carry their burden to show some evidence in support of Article III standing. The Battle Born parties timely appealed. We affirm.

In a civil forfeiture case, this Court reviews de novo the district court's determination of whether a claimant has standing. *United States v. 17 Coon Creek Rd.*, 787 F.3d 968, 972 (9th Cir. 2015). We review de novo a district court's decision to grant summary judgment and may affirm on any ground supported by the record. *Chemehuevi Indian Tribe v. Newsom*, 919 F.3d 1148, 1150–51 (9th Cir. 2019).

The district court correctly struck the Battle Born parties' claims for lack of standing. Claimants in civil forfeiture actions carry the burden to establish Article III standing by showing that they have "a colorable interest in the property, for example, by showing actual possession, control, title, or financial stake." *United States v. 475 Martin Lane*, 545 F.3d 1134, 1140 (9th Cir. 2008) (quoting *United States v. 5208 Los Franciscos Way*, 385 F.3d 1187, 1191 (9th Cir. 2004)). Although a claimant may establish standing at the pleading stage by making an unequivocal assertion of ownership, a claimant's "bare assertion of an ownership or possessory interest, in the absence of some other evidence, is not enough to survive a motion for summary judgment." *United States v. \$133,420.00 in U.S. Currency*, 672 F.3d 629, 638 (9th Cir. 2012). Instead, a claimant asserting an ownership interest in the defendant property "must also present 'some evidence of ownership' beyond the mere assertion" to establish standing, *id.* at 639 (quoting *United States v. U.S. Currency, \$81,000.00*, 189 F.3d 28, 35 (1st Cir. 1999)), and "a conclusory, self-serving affidavit,

lacking detailed facts and any supporting evidence, is insufficient to create a genuine issue of material fact,” *id.* at 638 (quoting *FTC v. Publ’g Clearing House, Inc.*, 104 F.3d 1168, 1171 (9th Cir. 1997)).

As a preliminary matter, the Battle Born parties argue that the district court improperly struck their claims on the pleadings. Neither the district court’s opinion nor the government’s motion specified whether the Battle Born parties’ claims were or should be stricken on the pleadings or at summary judgment. However, the First 100 claimants made an unequivocal assertion of ownership in their verified claim by stating they are “entitled to unencumbered right, title and ownership” of the Defendant Property. In its verified claim, Battle Born Investments made an unequivocal assertion of ownership by stating that the Defendant Property “has been since May 14, 2018 and is still currently owned by Claimant Battle Born.” Those assertions are sufficient at the pleading stage. Accordingly, the issue on appeal is whether the district court properly struck the Battle Born parties’ claims for lack of standing at summary judgment.

Reviewing the record de novo, we conclude that the Battle Born parties failed to carry their burden to establish some evidence, beyond a mere assertion, of ownership of the Defendant Property, from which a reasonable and fair-minded jury could find that they have standing. *See \$133,420.00 in U.S. Currency*, 672 F.3d at 638–40. In addition to their verified claims, the Battle Born parties rely on five declarations to establish evidence of ownership, *i.e.*, that Ngan owned the bitcoin in 1HQ3 prior to seizure so that it is now part of Ngan’s bankruptcy estate. At best, their

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verified claims and declarations establish that the Battle Born parties have ownership rights to the bankruptcy estate of Ngan, who they believe is or is associated with Individual X. The only evidence the Battle Born parties present that could arguably tie Ngan to Individual X is a screenshot of the 1HQ3 wallet on the publicly accessible blockchain.com, found in Ngan's possession. They provide nothing beyond speculation that Ngan had some association with Individual X, and they offer nothing to suggest how Ngan would have come into ownership of the bitcoin in 1HQ3. Given the lack of evidence in the record, even without considering the government's declaration, the district court correctly held that no reasonable jury could find that the Battle Born parties have a colorable claim of ownership as to the Defendant Property sufficient to confirm standing.

None of the Battle Born parties' arguments warrant disturbing the decision below. The district court did not err by denying the Battle Born parties' request under Federal Rule of Civil Procedure 56(d) to defer ruling on the government's motion to strike until the Battle Born parties could take additional discovery. Reviewing the district court's implicit denial of the Rule 56(d) motion de novo, the motion relies on the speculative premise that a screenshot of a publicly-available website is indicative of ownership, and the Battle Born parties do not explain how this discovery would produce evidence of their ownership of the Defendant Property. Further, nothing in Supplemental Rule G(8) precludes the government from moving to strike a claim prior to discovery. *See* Supp. R. G(8)(c)(i).

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The district court did not err by requiring the Battle Born parties to connect their ownership interest to that of Individual X. The Battle Born parties point to no authority in this Circuit for their assertion that a court may not strike a claim on the ground that the claimant's account of ownership is irreconcilable with the government's theory of forfeiture. In addition, the Battle Born parties' own assertion of ownership, as set forth in their claims, is that Individual X is Ngan or someone associated with Ngan, and their account of ownership is not irreconcilable with the government's theory that from at least 2012 until the government's seizure in 2020, Individual X stole bitcoin from Silk Road which ultimately was transferred to 1HQ3.

AFFIRMED.

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Appendix B

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

No. 3:20-cv-07811-RS

UNITED STATES OF AMERICA,
Plaintiff,

v.

APPROXIMATELY 69,370 BITCOIN (BTC), BITCOIN GOLD
(BTG) BITCOIN SV (BSV) and BITCOIN CASH (BCH)
seized from 1HQ3Go3ggs8pFnXu
HVHRytPCq5fGG8Hbhx,
Defendant.

Filed August 16, 2022
Document 127

JUDGMENT AND ORDER OF FORFEITURE

On November 5, 2020, the United States filed the instant complaint to forfeit approximately 69,370 Bitcoin (BTC), Bitcoin Gold (BTG), Bitcoin SV (BSV), and Bitcoin Cash (BCH) seized from 1HQ3Go3ggs8pFnXuHVHRytPCq5fGG8Hbhx (hereafter the “Defendant Bitcoins”). Docket No. 1. The United States filed an amended complaint on November 20, 2020. Docket No. 8. Five parties claimed ownership: (1) Ross William Ulbricht, (2) Caleb Bradberry, (3) Roman Hossain, (4) Lucas E. Buckley, (5) First 100 LLC, Battle Born Investments Company

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LLC, and 1st One Hundred Holdings LLC (collectively “Battle Born”). In addition, two parties sought to intervene: Adesijuola Ogunjobi and Nobuaki Kobayashi. All but one of the parties were dismissed or withdrew. *See* Docket No. 19 (Ogunjobi denial); Docket 48 (Bradberry withdrawal); Docket No. 105 (Hossain, Battle Born, Matusko, and Kobayashi dismissals), and Docket No. 122 (Buckley dismissal). The only remaining party, Ross William Ulbricht, entered into a settlement agreement stipulating to the forfeiture of the Defendant Bitcoins. Docket No. 47.

THEREFORE, based on the settlement agreement, the entire record of the case, and good cause appearing, IT IS HEREBY:

ORDERED, ADJUDGED AND DECREED that a judgment be and hereby is entered for the United States against the Defendant Bitcoins; and it is

FURTHER ORDERED, ADJUDGED AND DECREED that the Defendant Bitcoins be and hereby are forfeited to the United States, pursuant to 18 U.S.C. §§ 981(a)(1)(A), 981(a)(1)(C), 981(b), and 21 U.S.C. § 881(a)(6), and that all right, title and interest in said property be and hereby is vested in the United States of America; and it is

FURTHER ORDERED that the United States shall dispose of the forfeited defendant property according to law.

IT IS SO ORDERED.

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DATED: August 16, 2022

/handwritten signature/

HONORABLE RICHARD SEEBORG

Chief District Court Judge

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Appendix C

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

No. 3:20-cv-07811-RS

UNITED STATES OF AMERICA,
Plaintiff,

v.

APPROXIMATELY 69,370 BITCOIN (BTC),
BITCOIN GOLD (BTG) BITCOIN SV (BSV) and
BITCOIN CASH (BCH), *et al.*,
Defendants.

Filed March 25, 2022
Document 104

**ORDER GRANTING MOTIONS TO STRIKE
CLAIMS, DENYING MOTION TO INTERVENE**

I. INTRODUCTION

This is a civil forfeiture action arising from the seizure of approximately 69,370 Bitcoin, Bitcoin Gold, Bitcoin SV, and Bitcoin Cash (“Bitcoin”) allegedly derived from certain unlawful activity. The Bitcoin was stolen by “Individual X” from addresses at “Silk Road,” which is described by the government as having been “the most sophisticated and extensive criminal marketplace on the Internet, serving as a sprawling black market bazaar where unlawful goods and services, including illegal drugs of virtually all

varieties, were bought and sold regularly by the site's users." In 2013, law enforcement seized and shut down Silk Road.

In 2020, further investigation revealed that Individual X had hacked into Silk Road and through 54 transactions sent a total of over 70,000 Bitcoin to two addresses he controlled. The bulk of that Bitcoin was later transferred to another address, from which it was ultimately seized. Individual X and the creator and owner of Silk Road have both consented to the forfeiture of the seized Bitcoin.

Several entities and individuals have now come forward asserting that the seized Bitcoin, may include Bitcoin in which they have ownership rights. The government moves to strike three such claims. A fourth potential claimant moves to intervene in this action, which the government opposes. All four motions will be decided in the government's favor as none of the claimants offer anything more than implausible speculation that any of the seized Bitcoin is their property.

II. BACKGROUND¹

According to the government, from 2011 until October 2013, when it was seized by law enforcement, Silk Road was utilized by thousands of drug dealers and other vendors to distribute hundreds of kilograms of illegal drugs and other unlawful goods and services to well over 100,000 buyers, and to launder hundreds

¹ The general background and basic facts as alleged by the government in the forfeiture complaint and presented in its briefs and declarations are not disputed by any of the claimants except as noted in the discussion.

of millions of dollars derived from these illegal transactions.

The only form of payment accepted on Silk Road was Bitcoin. During its operation, Silk Road generated sales revenue totaling over 9.5 million Bitcoin, and collected commissions from these sales totaling over 600,000 Bitcoin. Silk Road used a so-called “tumbler” to process Bitcoin transactions in a manner designed to frustrate the tracking of individual transactions through the Blockchain and thereby assist with the laundering of criminal proceeds.

The creator of Silk Road, Ross Ulbricht was arrested in San Francisco on October 1, 2013, and charged in the Southern District of New York with narcotics trafficking conspiracy, computer hacking conspiracy, and money laundering conspiracy. That same day, law enforcement took down the Silk Road website and seized its servers, including all Bitcoins contained in wallets residing within them. The following day, the government filed a civil action in the Southern District of New York seeking, among other things, forfeiture of the Silk Road hidden website, any and all Bitcoins contained in wallet files residing on Silk Road Servers, and all property traceable thereto. A judgment and order of forfeiture was entered in that action in 2014.

In February of 2015, a federal jury convicted Ulbricht on seven counts including conspiracy to distribute narcotics and money laundering. He was ultimately sentenced to double life imprisonment plus forty years, without the possibility of parole.

In 2020, law enforcement officers used a third-party bitcoin attribution company to analyze Bitcoin transactions executed by Silk Road. They saw that on May 6, 2012, 54 transfers were made from Bitcoin addresses controlled by Silk Road to two Bitcoin addresses, abbreviated as 1BAD and the 1BBq. These 54 transactions were not noted in the Silk Road database as vendor or Silk Road employee withdrawals and therefore appeared to represent Bitcoin that was stolen from Silk Road.

Nearly a year later, most of the Bitcoin at 1BAD and 1BBq was transferred to an address abbreviated as 1HQ3. Other than a relatively small transfer out in 2015, the nearly 70,000 Bitcoin remained at 1HQ3 until its seizure by the government in late 2020. During that time, its value grew from approximately \$14 million to over \$3.5 billion.

According to an investigation conducted by the Criminal Investigation Division of the Internal Revenue Service and the U.S. Attorney's Office for the Northern District of California, Individual X was the individual who hacked into Silk Road and moved the cryptocurrency to 1BAD and 1BBq, and subsequently to 1HQ3. The investigation further revealed that Ulbricht became aware of Individual X's online identity and threatened Individual X for return of the cryptocurrency to Ulbricht. Individual X did not return the cryptocurrency.

In November of 2020, Individual X signed a Consent and Agreement to Forfeiture with the U.S. Attorney's Office, Northern District of California in which he or she consented to the forfeiture of the subject Bitcoin. That same day, the government took

custody of the Bitcoin from 1HQ3. Ulbricht has also admitted that the Bitcoin is subject to forfeiture and has consented to its forfeiture.

III. DISCUSSION

A. Roman Hossain

Roman Hossain timely filed a verified claim and statement of interest pursuant to 18 U.S.C. §§ 983(a)(4)(A) & (d), and Supplemental Rules C(6)(a) & (G)(5)(a). Hossain asserts he is “the original, rightful, and innocent owner of at least 245.922 of the 69,370 Bitcoin seized by the government from . . . the 1HQ3 wallet.”

According to Hossain, he opened an account on the Mt. Gox Exchange² on or before March 1, 2012, and deposited \$2,475 to purchase Bitcoin with the hope that his investment would appreciate over time. Hossain claims he held 245.92 Bitcoin at Mt. Gox, “from where it was stolen by hackers and transferred to Silk Road.” Hossain contends his Bitcoin was then stolen again from Silk Road, and ultimately transferred to the 1HQ3 wallet, from which it was seized by the government.

² Mt. Gox was a Japan-based operation that at one time was the world’s largest Bitcoin intermediary and leading Bitcoin exchange, handling 70% of all Bitcoin transactions worldwide. In February of 2014, Mt. Gox suspended trading, closed its website and exchange service, and filed for bankruptcy protection from creditors. Mt. Gox announced that approximately 850,000 bitcoins belonging to customers and the company were missing and likely stolen, an amount valued at more than \$450 million at the time.

Hossain did not identify his Mt. Gox Bitcoin wallet address or account information in his claim. The government therefore served special interrogatories in accordance with Supplemental Rule G(6)(a), seeking information to ascertain Hossain's ownership interest in the seized Bitcoin, including information relating to any account held by him at the Mt. Gox exchange. Hossain objected that the interrogatories were outside the scope of Supplemental Rule G(6), provided none of the information requested, and reiterated the statements made in his claim.

"Before a claimant can contest a forfeiture, he must demonstrate standing." *Mercado v. U.S. Customs Service*, 873 F.2d 641, 644 (2d Cir. 1989). Standing is a threshold jurisdictional issue in civil forfeiture cases, *see United States v. Cambio Exacto, S.A.*, 166 F.3d 522, 526-27 (2d Cir. 1999), and the government is entitled to "test" the veracity of the claimant's claim of ownership and interest any time after a claim is filed. *United States v. \$133,420 in U.S. Currency*, 672 F.3d 629, 642 (9th Cir. 2012) ("The issue of standing is subject to adversarial testing under Supplemental Rule G(6)(a), which gives the government the right to question the claimant regarding the 'claimant's identity and relationship to the defendant property,' and to 'gather information that bears on the claimant's standing'" (internal citations omitted)).

To contest a forfeiture, a claimant must demonstrate both statutory and Article III standing. *United States v. \$1,181,895.00 in U.S. Currency*, 2015 WL 631394, at *2 (C.D. Cal. Feb. 12, 2015). "A

claimant bears the burden of establishing Article III standing, the threshold function of which is to ensure that the government is put to its proof only where someone acting with a legitimate interest contests the forfeiture A claimant must therefore demonstrate that he has a sufficient interest in the property to create a case or controversy.” *United States v. \$41,471.00 in U.S. Currency*, 2016 WL 337380, at *1 (C.D. Cal. Jan. 6, 2016).

In a civil forfeiture proceeding, standing is satisfied if the claimant can show “a colorable interest in the property, for example, by showing actual possession, control, title, or financial stake.” *United States v. Real Prop. Located at 475 Martin Lane*, 545 F.3d 1134, 1140 (9th Cir. 2008). To collect evidence on the issue of standing, Rule G(6) “broadly allows the government to collect information regarding the claimant’s ‘relationship to the defendant property’” through the use of special interrogatories, and “contemplates that the government may seek information beyond the claimant’s identity and type of property interest.” *\$133,420.00*, 672 F.3d at 642. Rule G(8)(c)(1) provides that the government may move to strike a claim for failing to comply with Rule G(5) or (6), or because the claimant lacks standing. *17 Coon Creek Rd.*, 787 F.3d at 973; *see also, United States v. \$333,806.93 in Proceeds*, 2010 WL 3733932, at *1 (C.D. Cal. Aug. 30, 2010) (striking claim under “strict compliance” standard for failure to respond to Special Interrogatories served pursuant to Supplemental Rule G(6)); *\$133,420.00 in U.S. Currency*, 672 F.3d at 635 (emphasizing that pursuant to Rule G(8)(c), at any time before trial, the government may move to strike the claimant’s claim or answer if the claimant has not

responded to special interrogatories propounded pursuant to Rule G(6)(a), or if the claimant lacks standing).

Here, the government contends Hossain's claim should be stricken because he refuses to provide substantive interrogatory responses and/or because he has failed to establish standing. Hossain insists that he has adequately pleaded his interest in the property, and that striking a claim for insufficient discovery responses is not warranted unless a party has been given opportunity to cure and has violated a court order to provide further responses. Hossain also points out that the government has independently been able to identify his Mt. Gox account, rendering at least that aspect of the interrogatories moot.

Hossain's conclusory allegations that his stolen Bitcoin forms a part of what was seized from the 1HQ3 wallet, however, are insufficient. Hossain has not pointed to a single fact supporting his assertions that his Bitcoin was stolen from Mt. Gox and transferred to Silk Road, and then stolen *again* and transferred ultimately into the 1HQ3 wallet. To the contrary, Mt. Gox records show that on February 8, 2013, and February 9, 2013, there was a transfer of 200 BTC and 45.92 BTC out of Hossain's Mt. Gox account for a total of 245.92 BTC. This matches exactly the amount Hossain claimed was stolen from his Mt. Gox account. These transfers took place nine months *after* the subject Bitcoin was stolen from Silk Road.

Hossain's only response is that Mt. Gox is known to have been falsifying its records to coverup the fact that losses were occurring. Whatever other irregularities there may have been, Hossein cannot

escape the fact that his Bitcoin was available for him to withdraw from Mt. Gox until February of 2013, and therefore cannot be part of the Bitcoin that was stolen from Silk Road that is the subject of this case.

Even apart from the timing, Hossein would have nothing other than pure speculation to suggest that his Bitcoin was transferred to Silk Road. Again, the actual evidence is that the Bitcoin stolen from Mt. Gox accounts was transferred to various places other than Silk Road.

In essence, Hossain has done nothing more than show that he owned some Bitcoin that was stolen from him, and then baldly claimed that even though the seized Bitcoin was stolen from somewhere else, some of it must be his. The timing proves otherwise, but even in the absence of the government's showing on that point, Hussain has not met his burden to show a colorable interest in the property. The motion to strike is granted.

B. Illija Matsuko

Many months after the deadline for filing claims in this matter, Illija Matsuko, a citizen of Germany filed a verified claim alleging he held at least 48 Bitcoin³ at Silk Road under his user name "hanson5." Matsuko asserts he had deposited the Bitcoin but had never purchased any items, legal or illegal, from the Silk Road website. The Bitcoin "remained idle" in his account.

Matsuko acknowledges he was "generally aware" of the seizure and shutdown of Silk Road in 2013, "as

³ Matsuko has since acknowledged the exact figure is 47.52.

it made headlines worldwide” and that he “most likely lost access to the user account and that he most likely lost access to his bitcoins.” Matsuko contends, however, that he was “unaware of any third-party rights under U.S. law to make a claim for his legally obtain[ed] bitcoins.”

Matsuko asserts that due to the rapid increase in value of Bitcoin, in May of 2021, he sought advice from counsel in Germany about the possibility of recovering the 48 Bitcoins “from the original United States Law Enforcement take down of the Silk Road marketplace.” Matsuko eventually retained U.S. counsel and learned of this action, and filed his claim shortly thereafter.

Even assuming Matsuko should be relieved from the filing deadline in this action, he has not presented a colorable claim to any of the seized Bitcoin. Matsuko does not dispute that his Bitcoin remained in his account at Silk Road and available for his use or withdrawal at all times up until the 2013 government seizure and shut down. Accordingly, it forms no part of the Bitcoin stolen from Silk Road in 2012 that was later seized in this action.

Matsuko insists that because Bitcoin held at Silk Road was treated as fungible, he has a viable claim to the seized Bitcoin. The argument is not persuasive, however, because it would in effect mean that Matsuko’s Bitcoin was simultaneously held at Silk Road *and* in the 1HQ3 wallet.

Finally, Matsuko’s complaint that he was not given proper direct notice of his right to assert a claim at the time of the 2013 seizure is not relevant to this

proceeding. There is no basis to use this case as a collateral attack on the judgment and forfeiture order entered in New York many years ago. The motion to strike is granted.

C. Battle Born Investments Company, et al.

Approximately six weeks after the filing deadline, Battle Born Investments Company, LLC; First 100, LLC; and 1st One Hundred Holdings, LLC (collectively “Battle Born”), filed a verified claim asserting ownership of the entire 1HQ3 wallet that was seized. The claim alleges that Battle Born obtained a judgment for more than \$2.2 billion against a person it believed was either Individual X or was associated with Individual X. The judgment was against Raymond Ngan, who the parties now agree is *not* Individual X.

Ngan filed a bankruptcy petition. Battle Born entered into an agreement to purchase all assets of the bankruptcy estate from the Chapter 7 bankruptcy trustee. These assets included all disclosed and undisclosed property interests of the bankruptcy debtor, “wherever located and by whomever held.” The sale was approved by the bankruptcy court. The order designated Battle Born a good faith purchaser of all assets of the bankruptcy estate, whether or not disclosed in Ngan’s bankruptcy schedules and statements, pursuant to 11 U.S.C. section 363(m).

In a forensic review of Ngan’s laptop computer, Battle Born discovered email correspondence regarding a proposed sale of Bitcoin by Ngan. When the prospective purchaser inquired as to where the Bitcoin would come from, Ngan sent an image of the

1HQ3 page on the website, blockchain.com, which is a recognized means for Bitcoin users (and anyone else) to view the current contents and entire transactional history of a given Bitcoin wallet.

It is reasonable, of course, to take Ngan's conduct as a representation by him that he owned the 1HQ3 wallet. It is not, however, sufficient to create a colorable claim by Battle Born to the seized Bitcoin. Apart from sheer speculation that Ngan may have had some association with Individual X, Battle Born can offer nothing to suggest how Ngan would have come into ownership of the Bitcoin in 1HQ3 wallet, much less lawful ownership that would have made the Bitcoin part of the bankruptcy estate. Although Battle Born insists the question of Ngan's ownership goes to the merits and is not properly resolved by a motion to strike under either summary judgment or judgment on the pleadings standards, it is Battle Born's burden to make out a colorable claim. Because it has not pleaded facts—as opposed to conclusions—that plausibly put the 1HQ3 wallet into the bankruptcy estate it purchased, the motion to strike must be granted.

D. Kobayashi

Nobuaki Kobayashi is the appointed Foreign Representative in the case of *In re: MtGox Co., Ltd. (a/k/a MtGox KK)*, U.S. Bankruptcy Court for the Northern District of Texas, Dallas Division, Case No. 14-31229. Kobayashi moves to be permitted “direct access” pursuant to 11 U.S.C. § 1509, or to intervene under Rule 24 of the Federal Rules of Civil Procedure.

Kobayashi is tasked with overseeing the collection of any U.S.-sited assets in which Mt. Gox had or has property interests in for their transfer and distribution to Mt. Gox's creditors in the Foreign Main Proceeding in Japan. Kobayashi seeks "direct access" or intervention because he speculates some of the Bitcoin stolen from Mt. Gox could have gone to Silk Road and ultimately to the 1HQ3 wallet. Particularly in light of the government's showing that the thefts from Mt. Gox did not go into Silk Road, such conjecture is not sufficient to support either direct access or intervention. The motion is denied.

IV. CONCLUSION

The claims of Hossain, Matsuko, and Battle Born are stricken. Kobayashi's motion for direct access or to intervene is denied.⁴

IT IS SO ORDERED.

Dated: March 25, 2022

[handwritten signature]

RICHARD SEEBORG
Chief District Court Judge

⁴ The government's sealing motion (Dkt. No. 73) submitted in connection with its opposition to Kobayashi's motion is granted.

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Appendix D

**UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

No. 22-16348

UNITED STATES OF AMERICA,

Plaintiff-Appellee,

v.

BATTLE BORN INVESTMENTS COMPANY, LLC; *et al.*,

*Claimants-
Appellants,*

and

ILIJA MATUKSO; *et al.*,

Claimants,

v.

ROSS WILLIAM ULBRICHT,

Respondent,

v.

APPROXIMATELY 69,370 BITCOIN (BTC), BITCOIN GOLD
(BTG) BITCOIN SV (BSV) and BITCOIN CASH (BCH),

Defendant.

Filed December 12, 2023

Docket Entry 41

Appeal from the United States District Court for the
Northern District of California, No. 3:20-cv-07811-RS

App-25

ORDER

Before: MILLER and KOH, Circuit Judges, and LYNN,* District Judge.

The panel has unanimously voted to deny appellants' petition for rehearing. Judge Miller and Judge Koh have voted to deny the petition for rehearing en banc, and Judge Lynn so recommends. The full court has been advised of the petition for rehearing en banc, and no judge has requested a vote on whether to rehear the matter en banc. Fed. R. App. P. 35.

The petition for rehearing and rehearing en banc is DENIED.

* The Honorable Barbara M. G. Lynn, United States District Judge for the Northern District of Texas, sitting by designation.

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Appendix E

* * *

[Counsel block omitted]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

No. 3:20-cv-07811-RS

UNITED STATES OF AMERICA,
Plaintiff,

v.

APPROXIMATELY 69,370 BITCOIN (BTC), BITCOIN GOLD
(BTG) BITCOIN SV (BSV) and BITCOIN CASH (BCH)
seized from 1HQ3Go3ggs8pFnXu
HVHRytPCq5fGG8Hbhx,
Defendant.

FIRST 100, LLC, 1ST ONE HUNDRED HOLDINGS, LLC,
and BATTLE BORN INVESTMENTS COMPANY, LLC,
Claimants.

Filed July 13, 2021
Document 90-1

Date: August 20, 2021
Time: 1:30 p.m.
Court: Hon. Richard Seeborg

**DECLARATION OF JEREMIAH HAYNIE
IN SUPPORT OF UNITED STATES'
MOTION TO STRIKE THE CLAIMS OF
CLAIMANTS BATTLE BORN INVESTMENTS
COMPANY, LLC, FIRST 100, LLC AND
1ST ONE HUNDRED HOLDINGS, LLC**

I, JEREMIAH HAYNIE, state as follows:

1. I am a Special Agent with the Criminal Investigation Division of the Internal Revenue Service ("IRS-CI"). I am a case agent assigned to this case. I respectfully submit this declaration to provide certain relevant information in support of the United States' Motion to Strike the claims filed by Claimants Battle Born Investments Company, LLC; First 100, LLC; and 1st One Hundred Holdings, LLC ("Claimants"). I personally conducted the blockchain analysis of the bitcoins at issue in this case and was involved in the investigation from its inception to the present day.

INDIVIDUAL X

2. On approximately May 6, 2012, Individual X stole 70,411.46 BTC from addresses controlled by Silk Road and transferred it to two Bitcoin addresses—1BADznNF3W1gi47R65MQs754KB7zTaGuYZ and 1BBqjKsYuLEUE9Y5WzdbzCtYzCiQgHqtPN—totaling 70,411.46 BTC.

3. On approximately April 9, 2013, the Bitcoin addresses that received the 70,411.46 BTC from Silk Road sent 69,471.082201 BTC (approximately \$14 million at the time of transfer) to 1HQ3Go3ggs8pFnXuHVHRytPCq5fGG8Hbhx hereafter "1HQ3"). Individual X is the individual that effectuated this transaction.

4. I have personally investigated and spoken with Individual X. Raymond Ngan is not Individual X. Furthermore, my investigation has not revealed any association or connection between Ngan and Individual X.

5. I have been provided with a list of twelve names who Claimants believe may be associates and/or affiliates of Raymond Ngan. None of these individuals is Individual X.

SCAMS INVOLVING 1HQ3

6. Since 2013, 1HQ3 has been one of the most sought-after Bitcoin addresses in history given the large number of bitcoins it held for years. On November 2, 2020, it was number five among the top 100 richest Bitcoin addresses. Attached hereto as Exhibit 1 is a true and accurate copy of a screenshot I took from a publicly available website showing 1HQ3 as the fifth richest Bitcoin address as of November 2, 2020, with a balance of 69,370 BTC (worth \$930,206,633 USD), equivalent to 0.3743% of all Bitcoin in circulation.

7. The lure and notoriety of 1HQ3 has made it a target and/or subject of numerous scams for years. For example, there have been numerous posts involving 1HQ3 on Pastebin.com, a text storage website that is a type of online content-hosting service where users can store plain text. Some of those posts include the following:

- a. On approximately June 4, 2016, an unknown individual submitted a post to Pastebin (www.pastebin.com/UPvLQDeH), that contained 1HQ3 and about 999 other addresses. The post

claimed that anyone who paid 0.0005 BTC would receive the private keys for all the addresses in the list. It appears six people fell for this scam because the payment address received 0.0030 BTC. As described later, anyone who possesses the private key for a particular Bitcoin address has the ability to transfer bitcoin from the corresponding Bitcoin address.

b. On approximately February 25, 2020, an individual using the moniker “KILOHACK3R” submitted a post to Pastebin (www.pastebin.com/eKu5RttH) that contained 1HQ3 and about 50 other Bitcoin addresses. The post claimed to be selling the private keys for all the addresses on the list for 0.01 BTC. It does not appear that anyone sent 0.01 BTC but the address received a total of about 0.005 BTC.

c. Similar to the posts above, I found at least eight additional posts that offered the private keys for 1HQ3 for sale:

i. A post dated approximately January 15, 2018 claiming to have the private keys for 40 addresses including 1HQ3 for the price of 0.1 BTC (www.pastebin.com/mvYN86t4).

ii. A post dated approximately March 4, 2018 claiming to have the private keys for 40 addresses including 1HQ3 for the price of 0.05 BTC (www.pastebin.com/nuAzpzdH).

iii. A post dated approximately January 2, 2018 claiming to have the private keys for 40 addresses including 1HQ3 for the price of 0.37 BTC (www.pastebin.com/RzP8Ve9r).

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iv. A post dated approximately September 25, 2018 claiming to have the private keys for 40 addresses including 1HQ3 for the price of 13.10 BTC (www.pastebin.com/14d6vv7v).

v. A post dated approximately March 4, 2018 claiming to have the private keys for 40 addresses including 1HQ3 for the price of 1.1 BTC (www.pastebin.com/0kenaYuL).

vi. A post dated approximately November 30, 2017 claiming to have the private keys for 1,000 addresses including 1HQ3 for the price of 0.005 BTC (www.pastebin.com/iBuuhbpM).

vii. A post dated approximately February 14, 2018 claiming to have the private keys for 350 addresses including 1HQ3, but did not require transferring Bitcoin to purchase the private keys but instead a link was provided that purported to allow the viewer to download the private keys (www.pastebin.com/jJcsExbJ).

viii. A post dated approximately October 27, 2019 claiming to have the private keys for 40 addresses including 1HQ3 available for the price of 1.1 BTC (www.pastebin.com/ARQbtNgf).

8. Additionally, I am aware of attempts by others to falsely claim ownership of Bitcoin addresses with large balances, including at least two separate individuals claiming ownership or possession of the 69,370 BTC at issue in this case. For example, I was recently alerted to an individual who attempted to

claim ownership of bc1qa5wkgaw2dkv56kfvj49j0av5nml45x9ek9hz6, the IRS-CI controlled Bitcoin address that received the 1HQ3 funds.

9. I also know of reports that a password protected wallet advertised to contain the private key for the 1HQ3 Bitcoin address was being passed around by hackers as recently as September of 2020, thereby making it possible for numerous individuals to claim they had this wallet but could not get into it. Although I believe that the wallet.dat file did not contain the private key for 1HQ3, it is possible that the wallet.dat file contained the private key. On September 9, 2020 Vice published an article titled “Hackers Are Trying to Break Into This Bitcoin Wallet Holding \$690 Million.” (Available online at <https://www.vice.com/en/article/bv8k4v/hackers-are-trying-to-break-into-this-bitcoin-wallet-holdingdollar690-million>.) The article states that hackers had been trading 1HQ3 on forums and underground marketplaces “in hopes of recovering the stash of cryptocurrency.” The article further states the following:

In the case of this Bitcoin wallet, it seems that it had been circulating for a while with no luck to those who attempt cracking it.

In fact, hackers have been trading the wallet on various occasions. On June 29 of last year, someone nicknamed humerh3 tried to sell the wallet on Bitcointalk, one of the most popular forums dedicated to the cryptocurrency. Another forum member noticed a listing on All Private Keys for the \$690 million wallet earlier this year as well. That listing is now gone, but another site has it on sale.

There is no guarantee, however, that this wallet.dat file that's going around actually holds the lost Bitcoin. It's possible that someone forged this wallet so that it would have the 1HQ3Go3ggs8pFnXuHVHRytPCq5fGG8Hbhx address but not its corresponding private key, which is what one would need to get the bitcoins, according to cryptocurrency experts.

BITCOIN OVERVIEW

10. Through my training and experience, and through reference to open-source information available via the Internet, I know the following:

11. Bitcoin is a type of virtual currency.¹ Virtual currency (also known as cryptocurrency or digital currency) is a digital representation of value that can function as a medium of exchange, a unit of account, and/or a store of value.² Virtual currency is not issued by any government or bank. It is generated and controlled through computer software operating on a decentralized, peer-to-peer network. Virtual currency is not illegal in the United States and may be used for legitimate financial transactions. However, virtual currency is frequently used in conjunction with illegal

¹ Bitcoin is both a cryptocurrency and a protocol; because of this, capitalization differs. Accepted practice is to use "Bitcoin" (singular with an uppercase letter B) to label the protocol, software, and community, and "bitcoin" (with a lowercase letter b) to label units of the currency. That practice is adopted here.

² For the purposes of this affidavit, "digital currency," "cryptocurrency," and "virtual currency" address the same concept.

or restricted activities, including, for example, purchasing illegal narcotics on darknet markets.

12. To send and receive bitcoin, the parties involved in a transaction use Bitcoin “addresses.” A Bitcoin address is somewhat analogous to a bank account number and is represented as a 26-to-35-character-long case-sensitive string of letters and numbers. Each Bitcoin address is controlled through the use of a unique, private key. This key is the equivalent of a password or PIN and is necessary to access the funds associated with a Bitcoin address. Only the holder of a Bitcoin address’ private key can authorize transfers of bitcoin from that address to other Bitcoin addresses. Users can operate multiple Bitcoin addresses at any given time and can use a unique Bitcoin address for each transaction.

13. When a sender initiates a Bitcoin transaction, the sender transmits a transaction announcement across the peer-to-peer Bitcoin network. To complete a transaction, a sender needs only the Bitcoin address of the receiving party and the sender’s own private key. This information on its own rarely reflects any identifying information about either the sender or the recipient. As a result, little-to-no personally identifiable information about the sender or recipient is transmitted in a Bitcoin transaction itself. Once the sender’s transaction announcement is verified by the network, the transaction is added to the blockchain, a decentralized public ledger that records every Bitcoin transaction. The blockchain logs every Bitcoin address that has ever received bitcoin and maintains records of every transaction for each Bitcoin address.

14. While a Bitcoin address owner's identity is generally anonymous within the blockchain (unless the owner chooses to make information about the owner's Bitcoin address publicly available), investigators can often use the blockchain to identify the owner of a particular Bitcoin address. Because the blockchain serves as a searchable public ledger of every Bitcoin transaction, investigators can trace transactions to, among other recipients, virtual currency exchanges.

REVIEWING THE BITCOIN PUBLIC LEDGER

15. The Bitcoin public ledger can be accessed from any computer connected to the internet simply by searching for it in a search program like Google. The entire Bitcoin public ledger is stored on most of the computers that make up the peer-to-peer network.

16. Importantly, once a Bitcoin address is used, it becomes traceable by the history of all transactions that the address is involved with. Anyone can see the balance and all transactions of any address. This information is part of the public ledger.

PROOF OF OWNERSHIP OF BITCOIN ADDRESSES

17. An individual can prove ownership of a Bitcoin address by using the address itself to sign a message via digital signature. The signing mechanism is the primary way of proving that a particular message or a piece of data comes from your end and not from someone else. By signing a message to a Bitcoin or cryptocurrency address, the signer is demonstrating that they are the owner of the funds that a wallet holds. The digital signature acts as proof that someone

controls the private keys of the particular address. In the Bitcoin community, there is a popular saying—“Not your keys, not your bitcoin”—which exemplifies the importance of actually possessing the private key to a Bitcoin address in order to establish true ownership.

18. For example, following the notorious Twitter hack in July of 2020 that compromised approximately 130 Twitter accounts pertaining to politicians, celebrities, and musicians, special agents in my squad seized the bitcoin received by the hackers through the scam and it is expected to be returned to their rightful owners. In the case of one victim, who needed to prove ownership of the Bitcoin address he used to send funds to the scammers, the victim verified ownership of the Bitcoin address by using the address to digitally sign a message. This is how ownership of a Bitcoin address is usually verified, not by simply providing a screenshot of a well-known address on a blockchain explorer site.

19. The document provided by counsel for Claimants to the government as Exhibit 5 in support of their claim as “proof” that Ngan owned or controlled 1HQ3 (attached hereto as Exhibit 2) is nothing more than a screenshot of a Bitcoin address available to the public on the top 10 richest Bitcoin address list. Nothing in that exhibit demonstrates proof of ownership or control in any way. By way of illustration, I do not have control over 35hK24tcLEWcgNA4JxpvbkNkoAcDGqQPSP (hereafter “35hK”) the richest Bitcoin address listed on Exhibit 1; however I can input that address into the same website (blockchain.com) and generate a similar

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screenshot to Exhibit 5. Attached hereto as Exhibit 3 is a true and accurate copy of the screenshot I generated by inputting 35hK into blockchain.com. This is not proof that I have ownership, possession, or control over 35hK and those in the Bitcoin community would scoff at anyone suggesting as much.

20. I know that Claimants' Exhibit 5 was extracted by using a search function on blockchain.com because the link to <https://www.blockchain.com/btc/address/1HQ3Go3ggs8pFnXuHVHRytPCq5fGG8Hbhx> is explicitly stated in the footer of the exhibit and because the document itself contains links to the website (which can be accessed by any member of the public with an Internet browser).

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief. Executed this 13th day of July, 2021 in East Lansing, Michigan.

/s/ Jeremiah Haynie
JEREMIAH HAYNIE
Special Agent
Internal Revenue Service –
Criminal Investigation

* * *

[Exhibits]

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Appendix F

* * *

[Counsel block omitted]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

No. 3:20-cv-07811-RS

UNITED STATES OF AMERICA,
Plaintiff,

v.

APPROXIMATELY 69,370 BITCOIN (BTC), BITCOIN GOLD
(BTG) BITCOIN SV (BSV) and BITCOIN CASH (BCH)
seized from 1HQ3Go3ggs8pFnXu
HVHRytPCq5fGG8Hbhx,
Defendant.

FIRST 100, LLC, 1ST ONE HUNDRED HOLDINGS, LLC,
and BATTLE BORN INVESTMENTS COMPANY, LLC,
Claimants.

Filed August 10, 2021
Document 98-2

Date: September 9, 2021
Time: 1:30 p.m.
Ctrm: 3 (Via Zoom)

The Hon. Richard Seeborg
Trial Date: None Set

**DECLARATION OF JACKY LEE
IN SUPPORT OF CLAIMANTS' OPPOSITION
TO MOTION TO STRIKE THE CLAIMS OF
CLAIMANTS BATTLE BORN INVESTMENTS
COMPANY, LLC, FIRST 100, LLC AND 1ST
ONE HUNDRED HOLDINGS, LLC**

I, Jacky Lee, declare as follows:

1. I am a Data Scientist at DMG Blockchain Solutions ("DMG"). I have three years of experience in the data science field, and I hold a bachelor's degree in computing science received from Simon Fraser University. I have personal knowledge of the facts set forth herein, except as to those stated on information and belief and, as to those, I am informed and believe them to be true. If called as a witness, I could and would competently testify to the matters stated herein.

2. On April 9, 2021, DMG was engaged by Dwight Donovan from Fox Rothschild LLP to conduct a forensic analysis in respect to their claim to the 1HQ3Go3ggs8pFnXuHVHRytPCq5fGG8Hbhx (1HQ3) Bitcoin wallet that is subject to the Complaint for Civil Action Forfeiture, currently pending in the United States District Court, Northern District of California. I was asked to research ownership of the 1HQ3 wallet, where the 69,370 Bitcoins in the 1HQ3 wallet came from, and the likelihood of the Bitcoins being stolen.

3. Holo Discovery, a company that specializes in forensics, has provided me with an external hard drive containing all active data from Ngan's personal devices. The hard drive also contains information

about deleted data but not the data itself. I received the hard drive on May 4, 2021. The devices shown in the hard drive are as follows: Compaq laptop, Toshiba laptop, black eMachines desktop, white eMachines desktop, CCIC thumb drive, Lexar 4GB thumb drive, HP 4 GB thumb drive, Samsung laptop, and LG LS770 cell phone.

4. Attached as Exhibit 1 is a true and correct copy of a document from Mr. Ngan's imaged computer file (hereinafter "Mr. Ngan's computer") titled "Bitcoin Procedures Sam Oliver.pdf" sent on December 5, 2018 from Mr. Ngan to Mr. Ranzijn via WhatsApp.

5. Attached as Exhibit 2 is a true and correct copy of a document from Mr. Ngan's computer titled "Bitcoin Purchase and Sale Joint Venture Profit-Sharing Agreement Escrow Agreement" sent from Mr. Ngan to Mr. Patrick Ranzijn.

6. Attached as Exhibit 3 is a true and correct copy of a document from Mr. Ngan's computer titled "Bitcoin Purchase and Profit Sharing Agreement" sent from Mr. Ngan to Mr. Ranzijn via WhatsApp.

7. Attached as Exhibit 4 is a true and correct copy of a message from Mr. Ngan's computer from the number 9496378100 to Mr. Ngan sent on November 11, 2017 via WhatsApp. It reads "Brad rotter wants to know if u still want to sell your bitcoin. I told him I would inquire."

8. Attached as Exhibit 5 is a true and correct copy of a message from Mr. Ngan's computer sent on October 19, 2018 from Jerry du Koning to Mr. Ngan from asking if he is interested in purchasing Bitcoin sent via WhatsApp.

9. Attached as Exhibit 6 is a true and correct copy of a message from Mr. Ngan's computer sent via WhatsApp by Jerry du Koning on October 21, 2018 telling Mr. Ngan his contacts have unlimited access to Bitcoin.

10. Attached as Exhibit 7 is a true and correct copy of a message from Mr. Ngan's computer from Mr. Ranzijn that reads "Got a wallet address with it?"

11. Attached as Exhibit 8 is a true and correct copy of a text message from Mr. Ngan's computer sent to Mr. Ranzijn from Mr. Ngan containing an image showing the wallet address 1HQ3Go3ggs8pFnXu HVHRytPCq5fGG8Hbxx and a QR code.

12. Attached as Exhibit 9 is a true and correct copy of a document that was emailed to Mr. Ngan from Don Yarter on December 21, 2018. The document was attached to an email and was titled "Mark to Don and James Re: Current BTC JV and Escrow Agreements 1 million from each 3 different Sellers = Total 3 Million BTC available."

13. Attached as Exhibit 10 is a true and correct copy of a document from Mr. Ngan's imaged computer titled "Notice of Conditional Bitcoin Offer." It was sent on January 28, 2019, from Mr. Ngan to Mr. Ranzijn.

14. Attached as Exhibit 11 is a true and correct copy of a document from Mr. Ngan's computer titled "Letter of Intent" dated February 4, 2019.

15. The 1HQ3 blockchain data was fetched from Blockchair and Blockseer's blockchain explorer. These explorers are websites that contain block, transaction, and wallet address data for Bitcoin. They allowed me

to get an overview of the 1HQ3 wallet as well as the transaction details.

16. All blockchain data that I have provided are raw data. This means that I fetched it directly from the explorer without aggregating or filtering it. Moreover, the data files found from Ngan's devices are left as is. I did not modify the files in any way.

17. From my analysis, I found that it is highly improbable for an individual to hack the 58 wallets that sent Bitcoins to 1HQ3. This is due to the fact that the private key used for accessing bitcoin wallets is very secure and cannot be easily guessed with modern computers. Moreover, it is impossible for Individual X to gain these Bitcoins by hacking a single silk road wallets, because the blockchain transactions show that the Bitcoins came from 58 different sources. Through tracing the transactions, I found that 4 of those sources were likely transaction fees, as the transaction amount involved was less than one Bitcoin.

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

Executed on this 10th day of August, 2021, as Vancouver, British Colombia, Canada.

[handwritten signature]

JACKY LEE

* * *

[Exhibit]

Exhibit 2

Bitcoin Purchase and Sale Joint Venture Profit-Sharing Agreement (“The JV Agreement”) ESCROW AGREEMENT

THIS ESCROW AGREEMENT IS MADE ON DECEMBER 07/2018 between

(1) Faction Investments Limited (“The Joint Venture Seller Side”);

(2) XXXXXXXXXXXX (“The Joint Venture Buyer or Purchasing Side”),

(3) Dunton Rainville LLP represented by Mr. Michel Lebeuf (Partner) (the “Escrow Law Firm”) collectively known as the “Parties”.

1 UNDERLYING TRANSACTION FOR ESCROW

Buyer or (“The Joint Venture Purchasing Side”) is using a Bitcoin Purchase and Sale Joint Venture Profit-Sharing Agreement (“The JV Agreement”) to be lodged with the Escrow Law Firm under the following TRANSACTION CODE:

2 RECITALS

WHEREAS

(A) (“The Joint Venture Seller Side”) *proposes to arrange the sale of a contracted amount of 100,000 BTC (the “BTC”) with a first tranche of no less than 2000 BTC.*

(B) (“The Joint Venture Purchasing Side”) proposes to send clean, clear and readily available funds for the BTC to the Escrow Law Firm (the “Funds”).

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(C) The Escrow Law Firm is willing to hold the Funds for the transaction in escrow pursuant to this Agreement.

IT IS AGREED

ESTABLISHMENT OF THE ESCROW

3. ESCROW LAW FIRM'S DESIGNATED BANK COORDINATES TO RECEIVE ESCROWED FUNDS

Bank Name	Bank of Montreal
Bank Address	630 Rene-Levesque Blvd, W. Montreal Quebec H3B 1 S6
Institution No	001
SWIFT Code	BOFMCAM2
Account Name	Dunton Rainville LLP - TRUST FUND ACCT
Account Number	1042-420
Transit/ Branch No.	02431

3 DEPOSIT OF FUNDS INTO THE ESCROW ACCOUNT

3.1 "The Joint Venture Purchasing Side" shall arrange for the Funds to be deposited into the Escrow Account on or about the date of order (the "Deposit Date").

3.2 Funds shall be transferred in United States Dollars (USO), to the Escrow Account upon receipt and acceptance of an invoice in due form.

3.3 Escrow Attorney agrees to hold the Funds in the Escrow Account for the benefit of the Parties until authorised to disburse such Funds under the terms of this Agreement.

3.4 When the Escrow has received and confirmed the Escrowed Amounts of the tranche in the Escrow bank account, the Escrow shall confirm receipt in writing to the (“The Joint Venture Purchasing Side”) and (“The Joint Venture Seller Side”). Upon confirmation of funds, The Joint Venture Seller Side shall immediately begin transmitting BTC to the (“The Joint Venture Purchasing Side”) designated wallet(s) and provide proof to the (“The Joint Venture Purchasing Side”) of the pending transfer. (“The Joint Venture Purchasing Side”) shall confirm the receipt of the BTC into the designated wallet to the Escrow Attorney upon receipt of the complete tranche and a minimum of 6 confirmations via the block-chain system, and Escrow Attorney shall release the funds to the Seller and consultants as instructed by the “The Joint Venture Seller Side. The same process will continue until all tranches are concluded.

3.5 The Bitcoin Purchase and Sale Joint Venture Profit-Sharing Agreement (The JV Agreement) is hereby incorporated into and made a part of this Agreement.

4 ESCROW PERIOD

4.1 The escrow period (the “Escrow Period”) shall begin from the date of this Agreement and shall terminate upon the earlier of:

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- (a) the date on which the Escrow Law Firm (i) releases to the (“The Joint Venture Seller Side”); the funds from the Escrow Account;
- (b) or - The date on which each of the (“The Joint Venture Seller Side”); and the (“The Joint Venture Buyer or Purchasing Side”) notifies the Escrow Law Firm that the proposed transaction and its remaining tranches have concluded or have been terminated in writing.

5 TRANCHING

5.1 (“The Joint Venture Buyer or Purchasing Side”) shall notify the Escrow Law Firm in writing via email when it is ready to send funds for the next tranche according to the signed Bitcoin transaction Joint Venture Agreement, and (“The Joint Venture Buyer or Purchasing Side”) shall then deposit funds as per the previous tranche.

5.2 Escrow shall notify (“The Joint Venture Seller Side”); once this arrangement has been completed and (“The Joint Venture Seller Side”); shall then transfer the BTC as per previous tranche.

6 COUNTERPARTS

6.1 This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by signing any such counterpart.

7 NOTICES

7.1 Any notice or other communication required to be given:

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- (a) to the (“The Joint Venture Seller Side”); under this Agreement shall be addressed and delivered to the email address which is: with Cc: XXXXXXXXXXXXX
- (b) to the (“The Joint Venture Buyer or Purchasing Side”); under this Agreement shall be addressed and delivered to the email address which is: with Cc: XXXXXXXXXXXXX
- (c)
- (c) to the Escrow Law Firm under this Agreement shall be addressed and delivered to the Escrow’s email address which is: with a copy to: XXXXXXXXXXXXX
- (d) Notification for scheduled disbursements must be provided to the Escrow Attorney no less than 24 hours before the disbursements’ scheduled delivery.

ESCROW FEES

7.2 The Parties agree that the Escrow Law Firm shall be paid a fee for escrow services rendered in accordance with the terms of this Agreement in an amount equal to xx% (xxx per cent of the Funds (the “Escrow Fees”). The Parties also agree that the Escrow Law Firm’s fee shall be at (“The Joint Venture Selling Side cost”).

7.3 The Escrow Fees shall be paid at the time of disbursement to the and the Escrow Law Firm is authorized to retain and utilise such fees from the Escrow Account at its sole and absolute discretion.

8 INDEMNITY

8.1 The Parties acknowledge and agree that the Escrow Law Firm's duties under this Agreement are limited solely to the safekeeping of (a) the Funds in the Escrow Account only.

The Parties agree that the duties of the Escrow Law Firm are only such as herein specifically provided and acknowledge and confirm that such duties are of an administrative and ministerial nature. The Parties agree that the Escrow Law Firm shall incur no liability whatsoever, except for negligence, wilful misconduct and fraud. The funds wired to the Escrow Law Firm's trust account will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (the "PCMLTFA") or the *Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* of the United States (the "Patriot Act") and ("The Joint Venture Purchasing Side") and ("The Joint Venture Seller Side") acknowledge that the Escrow Law Firm may in the future be required by law to disclose in the future ("The Joint Venture Purchasing Side") and ("The Joint Venture Seller Side"). names and other information relating to present transaction, on a confidential basis, pursuant to the PCMLTFA and/or the Patriot Act. To the best of its knowledge: (i) none of the funds to be wired by the Buyer: (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any other jurisdiction; or (B) are being tendered on behalf of a person or entity who has not been identified to the Escrow Law Firm; and (ii) ("The Joint Venture Buyer

or Purchasing Side”); and (“The Joint Venture Seller Side”); shall promptly notify the Escrow Law Firm if they discover that any of such representations ceases to be true, and to provide the Escrow Law Firm with appropriate information in connection therewith.

8.2 The Parties shall on demand indemnify the Escrow Law Firm against any liability, loss or expense which the Escrow Law Firm may incur in connection with its performance of the transactions contemplated by this Agreement.

9 LIABILITIES

9.1 Any and all interest accrued during the term of this Escrow Agreement shall be property of the the Law Society of Quebec fund and shall be disbursed as such according to the rules governing such accounts.

10 CONFIDENTIALITY

The Parties agree to keep confidential all the confidential materials and information (the “Confidential Information”) they are provided with by this Agreement. The Parties shall not disclose, provide or transfer such Confidential Information to any third party without the prior written consent of the other Party. In case of the termination of this Agreement, the party who has received the Confidential Information shall return or destroy all the files, materials or software as required by the disclosing party, and delete any of the Confidential Information from any equipment or device and discontinue using such Confidential Information.

11 FORCE MAJEURE

Any delay in or failure of performance by either party of their respective obligations under this agreement shall not constitute a breach hereunder or give rise to any claims for damages if, and to the extent that such delays or failures in performance are caused by events or circumstances beyond the control of such party. The term "Beyond the Control of Such Party" Include Lawful order of Government or Authority, Act of War, Rebellion or Sabotage, Fire, Flood, Earthquake or other natural disasters. Any other cause not within the control of such party or which by exercise of reasonable diligence, the party will be unable to foresee or prevent or remedy.

12 GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in all respects in accordance with the laws of the Province of Quebec, Canada.

13 OFFICIAL SIGNATURES OF PARTIES AGREEING TO THE ESCROW AGREEMENT

By signing below all parties agree to have read and understand the terms and conditions outlined in this escrow agreement.

****SIGNATURES ON NEXT PAGE****

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IN WITNESS whereof this Agreement has been entered into by the parties on the day and year first above written.

Signed FOR AND BEHALF OF ("The Joint Venture Buyer or Purchasing Side");

XXXXXXXXXXXXXXXXXXXX

per

Name (please print)

Signed FOR AND BEHALF OF ("The Joint Venture Seller Side");

FACTION INVESTMENTS LIMITED

per

Name (Greg Vanular)

FOR AND BEHALF OF THE DUNTON RAINVILLE LLP:

ESCROW LAWYER ON BEHALF OF THE LAW FIRM

per Mr. Michel Lebeuf

Partner

Name (Michel Lebeuf)

Exhibit 3

**BITCOIN PURCHASE
AND PROFIT SHARING AGREEMENT**

This Bitcoin Purchase and Profit-Sharing Agreement (The “Agreement”) is entered into as of December __, 2018 by and between _____
xxxxxxxxxxxxxxxxxx(“xxxxxxx”) on the one hand and
xxxxxxxxxxxxxxxxxx on the other hand (“xxxxxxx”).

Instruments:	Bitcoin (BTC).
Type of Asset:	Digital Currency.
Buying Amount:	Min 1 00,000 BTC
Total Discount:	8%
Profit to each JV Partner:	3.5%
Commissions:	1.0%
BTC Price:	Price based on <u>www.blockchain.com</u>
Payment Mode:	Wire Transfer bank to bank

WHEREAS, xxxxxxxxx Investments Limited, through their business connections can procure the purchase of Bitcoins at a price, which is 8% less than the market price as of the date of purchase for purchases in excess of I 00,000 Bitcoins.

WHEREAS xxxxxxxx represents investors who desire to purchase Bitcoins.

NOW, THEREFORE The parties to this Agreement agree as follows:

1. Purchase of Bitcoins by xxxxx

- A. xxxxxxx shall purchase Bitcoins in lots of 100,000 Bitcoins minimum through xxxxxx Investment's business connections ("Sellers").
- B. xxxxx shall deposit the market price of the Bitcoins for the specific tranche minus xx % for the agreed upon quantity of Bitcoins into the Dunton Rainville LLP escrow account.
- C. Sellers shall be paid the purchase price of the Bitcoins from the Dunton Rainville LLP escrow account after the coins are successfully transferred to the wallet of the end buyer.

2. Division of Profits between xxxxxx and xxxxxxxx

- A. Because the agreed upon purchase price of the Bitcoins is 8% less than the market price, and because xxxxx will deposit the market price into the escrow account, a gross profit of xx% will remain (the "Profit").
- B. xxxxxx and xxxxxx shall divide the Profit equally between them regardless of the percentage or dollar amount of the profit and compensate the introducing brokers as set out below in B(i)
 - (i) From the Gross Profit of xx% an amount of 1% shall be allocated to the introducing brokers as commissions.
 - (ii) Escrow instructions, which are signed by both xxxxx and xxxxxx will provide specific instructions as to where the

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Profits are to be sent upon the closing of escrow.

- (iii) xxxxxxxx alone will direct the Escrow Law Firm where the Sellers payments will be sent.
- (iv) xxxxxxxx alone will be responsible for the Escrow Fees.

3. BITCOIN'S TRANSACTION PROCEDURES:

1. Purchasing JV Partner submits a completed CIS, Passport Copy or Government issued Photo ID along with a current POF to cover the first tranche of a minimum 2000 BTC,
2. Selling side JV Partner reviews the application from purchasing JV Partner and contacts Purchasing JV Partner to confirm all the information that is in the submitted package, such as amount of BTC, method of payment, etc. and then Selling side N Partner counter-signs the Agreement.
3. The Selling side JV Partner then sends the signed copy of the JV Agreement to the purchasing side JV Partner immediately.
4. The purchasing side JV Partner will immediately wire transfer of the TOTAL AMOUNT to the Dunton Rainville LLP Escrow account, and provide a Payment Slip
5. Upon confirmation of the Payment, the Sell side JV Partner will cause the Seller to immediately transfer the agreed tranche of BTC to the designated BTC Wallet address given by the purchasing side JV Partner.

6. Once the BTC are receipted by the purchasing sides designated wallet the funds held in Escrow will be released as instructed by the sell side JV Partner and the 1% commissions will be paid as set out in the MFPA.
7. Escrow costs will be paid by the sell side JV Partner.
8. In the event the BTC are not delivered within 24 hours of receipt of the fiat to Dunton Rainville LLP the funds will be returned at no cost to the sending party
4. Amendments. This Agreement may be amended only in a writing that refers to this Agreement and that is signed by both parties hereto.
5. Entire Agreement. This Agreement constitutes the complete understanding between the parties hereto with respect to the subject matter hereof, and no alteration, amendment or modification of any of the terms and provisions hereof shall be valid unless made pursuant to an instrument in writing signed by each party. This Agreement supersedes and terminates any and all prior agreements or understandings between the parties regarding the subject matter hereof.
6. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, executors, successors and assigns.
7. Construction and Severability. In the event any provision in this Agreement shall, for any reason,

be held to be invalid or unenforceable, this Agreement shall be construed as though it did not contain such invalid or unenforceable provision, and the rights and obligations of the parties hereto shall continue in full force and effect and shall be construed and enforced in accordance with the remaining provisions hereof.

8. Counterparts; Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement. Facsimile signatures shall be sufficient for execution of this Agreement.
9. Independent Advice of Counsel. The Parties hereto, and each of them, represent and declare that in executing this Agreement they relied solely upon their own judgment, belief, knowledge and the advice and recommendations of their own independently selected counsel, concerning the nature, extent, and duration of their rights and claims, and that they have not been influenced to any extent whatsoever in executing the Agreement by any representations or statements covering any matters made by any other party or that party's representatives hereto.
10. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and shall not affect in any manner the meaning or interpretation of this Agreement.
11. Rule of Construction Relating to Ambiguities. All parties to this Agreement acknowledge that they

have each carefully read and reviewed this Agreement with their respective counsel and/or other representative, and therefore, agree that the rule of construction that ambiguities shall be construed against the drafter of the document shall not be applicable.

12. Enforceability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to the jurisdiction, be ineffective to the extent of that prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of that provision in any other jurisdiction

Dated: _____

Dated: _____

Selling Side Joint
Venture Partner
xxxxxxxxxxxxx

Purchasing Side Joint
Venture Partner
xxxxxxxxxxxxx

* * *

[Exhibits]

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Exhibit 7

System Message
System Message

Platform:
Mobile

12/5/2018
13:15(UTC-8)

17027160460@s.whatsapp.net
rayray51271

Outgoing Call

Platform: Mobile

12/5/2018 13:17(UTC-8)

17027160460@s.whatsapp.net
rayray51271

Attachments:

Title: Bitcoin Procedures_Sam
Oliver.pdf

Size: 367085

File name: Bitcoin
Procedures_Sam Oliver.pdf

Path: https://mmg-
fna.whatsapp.net/d/f/AhdQTivC
RN5iv-7Ar_TYI1McIMZ0WNj9
_kXDI_T4QpCo.encBitcoin
Procedures Sam Oliver.pdf

Participant

41792534555@s.whatsapp.net
Patrick

App-58

Delivered

12/5/2018

13:27(UTC-8)

Read

12/5/2018

13:29(UTC-8)

Played

Status: Sent

Platform: Mobile

12/5/2018 13:27(UTC-8)

41792534555@s.

whatsapp.net

Patrick

Got a wallet
address with it?

Platform:

Mobile

12/5/2018

13:44(UTC-8)

17027160460@s.whatsapp.net

rayray51271

From Sam's Aunt on the
Colorado funds...They will do the
following progression, but they
want a CIS package from the
owner then they'll write up the
contract.

1. 15% for first 200M

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2. 17.5% for next 200M

3. 20% over 400M

Participant

41792534555@s.whatsapp.net

Patrick

Delivered

12/5/2018 13:50(UTC-8)

Read

12/5/2018 13:50(UTC-8)

Played

Status: Sent

Platform: Mobile

12/5/2018 13:50(UTC-8)

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Exhibit 8

17027160460@s.whatsapp
.net rayray51271

Attachments:

Title: Bitcoin Address

1HQ3Go3ggs8pFnXuHVVH
RytPCq5fGG8Hbhx.pdf

Size: 140995

File name: Bitcoin
Address

1HQ3Go3ggs8pFnXuHVVH
RytPCq5fGG8Hbhx.pdf

Path:

https://mmgfna.whatsapp.
net/d/f/Al6hQa5_9iINhwX
72_5N58cFQS4Pzl96NBm
58PgwVw_.encBitcoin

Address

1HQ3Go3ggs8pFnXuHVVH
RytPCq5fGG8Hbhx.pdf

Participant

41792534555@s.whatsapp
.net Patrick

Delivered

12/19/2018 21:29(UTC-8)

Read

12/19/2018 21:30(UTC-8)

Played

App-61

Status: Sent

Platform: Mobile

12/19/2018 21:06(UTC-8)

41792534555@s.whats
app.net Patrick

Platform: Mobile

12/19/2018 21:31
(UTC-8)

17027160460@s.whatsapp
.net rayray51271

2 emails in your box.

Participant

41792534555@s.whatsapp
.net Patrick

Delivered

12/19/2018 23:08(UTC-8)

Read

12/19/2018 23:08(UTC-8)

Played

Status: Sent

Platform: Mobile

12/19/2018 22:04(UTC-8)

41792534555@s.whats
app.net Patrick

Yes, thanks, forwarded
already...

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Platform: Mobile

12/19/2018 23:08
(UTC-8)

41792534555@s.whats
app.net Patrick

Missed Call

Platform: Mobile

12/19/2018 23:28
(UTC-8)

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12/19/2018




Bitcoin Address

1HQ3Go3ggs8pFnXuHVHRytPCq5fGG8Hbhx

WALLET DATA API ABOUT BLOCK. HASH. TRANSCATIO

Bitcoin Address

Summary

Address		
1HQ3Go3ggs8pFnXuHVHRytPCq5fGG8Hbhx		
Hash 160		
b3dd79fb3460c7b0d0bbb8d2ed93436b88b6d89c		
Transactions		
No. Transactions	159	
Total Received	69,471.12363147 BTC	
Final Balance	69,370.12363147 BTC	

Request Payment Donation Button



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Transactions		Filter
0666de82d8b58570da09	2018-12-17 06:06:08	
3c09e96041c5b7e21ecda		
41...		
3BU1rT4aZFTD	➡ 1HQ3Go3ggs8p	0.00001088
DWt6yxheedV8	FnXuHVHRytPC	BTC
kbdrU2WMqM	q5fGG8Hbhx	0.00001088
		BTC
813ba20bd5de5		2018-12-09
83397bee08b69b		04:52:19
85ac5c2dae8afd		
5d...		
199J6ZBSFsLtr	➡ 1HQ3Go3ggs8p	0.00000888
RX5WuCiZCynj	FnXuHVHRytPC	BTC
7Zh3hZcgV	q5fGG8Hbhx	

* * *

[Exhibit]

Exhibit 10

DIGITAL CRYPTO CURRENCY

**IN RESPECT OF THE BITCOIN SALE AS
PRESENTED HEREIN, DATED January 03, 2019**

BITCOINS SALE OFFER OF 1,000 BTC's

**NOTICE OF CONDITIONAL
OFFER PRIOR TO SALE**

of the holders of its outstanding (1,000 BTC) w/ RE

**PRIVATE AND CONFIDENTIAL – NOT FOR
PUBLIC DISTRIBUTION**

The purpose of this letter is to express our intent to sell Digital Crypto Currency, the purpose of which is to clearly identify the selling entity publish intention describing the characteristics of the purchase (the “Offer”) and evidence of custodial qualifications. We have summarizes herein; the principal terms and

Conditions with respect to a potential purchase agreement.

Overall Structure. Our goal is to establish a purchase offer managed through a recognized financial organization contracted meeting the objective of the purchase as well as protecting the assets of the parties for each transaction. Our initial belief as to the overall structure and purpose purchase as outlined and set forth in the Competitive Offer would need to be properly documented in definitive agreements.

Negotiations. We agree to negotiate to determine if the offer will be appropriate for the parties, provided,

however, that either party may terminate negotiations at any time for any reason.

The Seller requires that the sale contract and any surplus will be done in accordance with specific contracted amount and procedures agreed to by both the Buyer and Seller. In accordance with these priorities, the offer “as is” and in good standing at the time of this Notice, the Parties wish to provide documentation and contract for the purchase in its entirety.

The Seller shall pay all customary and reasonable Consultants Fees. Prospective Buyer may be responsible for customary and reasonable buyer’s costs. The Seller may revoke this Notice of Conditional Offer Prior to Sale at any time before acceptance of the Notice of Conditional Offer Prior to Sale as described herein. In the event that the Seller exercises this right, The Seller will notify Prospective Buyer by email with a Rescission of Notice of Conditional Offer Prior to Sale

NOTICE OF CONDITIONAL OFFER PRIOR TO SALE

This letter is intended to set forth a letter of intent to sell Digital Crypto Currency as listed herein. This Notice of Conditional Offer Prior to Sale is for a potential buyer in good standing who intends to purchase the Assets “as is” at Current Bitcoin Exchange Pricing (CBEP less discount). The conditions of eligibility to purchase are set forth below. At the end of this notice you will be asked to indicate your interest in purchasing the Bitcoins and are requested to submit an LOI and the Attorney

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Attestation confirming your intention and/or requirements to purchase. You will be contacted when and if, it has been determined that you are the eligible buyer for the above-listed offer in accordance with the terms and condition of this Notice. This notice is intended solely as a basis for further discussion and is not intended to be and does not constitute a legally binding obligation of the parties. No legally binding obligations on the parties will be created, implied, or inferred until appropriate documents in final form are executed regarding the subject matter and containing all other essential terms of an agreed upon transaction and delivered by all parties. Without limiting the generality of the foregoing, it is the parties' intent that, until that event, no agreement binding on the parties shall exist and there shall be no obligations whatsoever based on such things as, extended negotiations, "handshakes," oral understandings, or courses of conduct (including reliance and changes of position). Efforts by either party to complete due diligence, verification, negotiate, financing or prepare a contract shall not be considered as evidence of intent by either party to be bound by this memorandum or otherwise. The performance by either party prior to execution of a formal contract of any of the obligations which may be included in a contract between the parties when negotiations are completed shall not be considered as evidence of intent by either party to be bound by this memorandum.

ATTESTATION /DISCLOSURE OF OFFER

REPRESENTATION ON AUTHORITY OF THE SELLER/SIGNATORY represents and warrants to the other that the execution and delivery of this
--

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Agreement and the performance of such party's obligations herein have been duly authorized and that the Agreement is a valid document and demonstrates the seller's intentions in accordance with its terms.
--

The Buyer has evaluated and has express interest and verified that interest with a Letters of Intent that will be presented from the Representative or Attorney of the Seller. This document will demonstrate our intent to sell and provide verification of product with procedure allowing the transfer within a purchase agreement. The Seller shall be inform by the interested parties that a submitted expressions of interest and documentation by the Buyer demonstrating its financial capability meeting the obligation within the terms and condition of this notice.

The requirements of this Notice are reasonable and efficient and do not create unnecessary constraints in evaluating or fulfilment of conditions required for negotiation or acceptance. Our intention is to present an offer, aligning interest of all interested parties and submit signed Agreement's for consideration and approval. The Seller has presented terms necessary to fulfill the acquisition of the "Offer" as outlined below.

Contract Amount:	of the holders of its outstanding (1,000 BTC) w/ RE

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Discounts:	the FIVE percent (5%) discount for BTC to the buyer of TWO percent (2%) + commission of THREE Percent (3%) for Buy side a n d S e l l side representatives
Receiving Mode:	Bitcoin Wallet
Contract Amount/ Tranche:	First Tranche 1,000, w/ rolls and extension
Payment method:	Bank-to-Bank
Commission Allocation/ Per Tranche:	Sell side (OPEN) 1.50% Buys side /1.50% Sell side
Inclusive Offer:	The above purchase price acquisition of the Bitcoins, affords satisfaction with Buyer and Seller as well as all parties of interest.
Understanding:	Indemnification from any known or unknown Liabilities (including Contingent Liabilities) arising from operations (past & present) before the date of execution of definitive transaction documents.

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Bitcoin Exchange:	The “as is” Current Bitcoin Exchange Pricing (CBEP) sales price shall be determined from the daily exchange on www.blockchain.com
Surplus Crypto Currency:	All surplus Crypto Currency may be sold under contract with rolls and extension, at the discretion of the Seller.

Out-of-Pocket Expenses /Completion Criteria

Expenses: Each party to bear its own legal fees and expenses in connection with this transaction.

Schedule: The terms expressed in this Notice of Conditional Offer Prior to Sale will become null and void if not accepted within two (2) days from the date of this letter. If you accept our proposal, we will proceed to enter into a purchase contract. During this period Seller agrees to discontinue any third party sale negotiations.

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- Proration's: This notice is important and requires the immediate attention of the buyer. If buyer is in any doubt as to the action they should take, they should seek their own financial and legal advice, including in respect of any tax consequences, immediately from their accountant or other independent financial, tax or legal adviser.
- Confidentiality: All aspects of this negotiated agreement shall be held by Buyer and Seller in the strictest of confidence. The confidentiality requirement shall not be in effect once closing occurs.

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Representations and Warranties: The parties will make a number of representations and warranties, including, (i) due qualification, and authorization to enter into the agreement, and (ii) other representations and warranties concerning the business, liabilities, and good standing of the parties, and (iii) other participation representations and agreements typically obtained in a transaction of this type. The parties will agree to indemnify and hold harmless the Company for any losses or liabilities arising from any breach of a representation or warranty.

Required Documentation for Consideration

- Sign and return the Notice of Conditional Offer Prior to Sale
- Buyer or Buyers Attorney shall present an (LOI) Letter of Intent outlining the requirements of the buyers contracted, amount and schedule.
- Submit the VERIFIABLE BUYERS BANK STATEMENT with “Attorney Attestation Letter of Funds.”

NOTICE: these steps have been implemented due the false and misleading practices be perpetrated on both buyers and sellers within this business model. We feel

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these steps are critical to providing these financial instruments (BTC) to accredited buyers; we appreciate your understanding and compliance for this introduction.

Control Procedure

- Once the intention of purchase is confirmed, Sellers Representative shall present a letter confirming acceptance of buyer's documentation and seller intentions to proceed, a draft contract will be sent for buyer's signature.
- Once the Buyer reviews the agreement and proposes amendments if necessary (such as amount of tranches and number of tranches), the return draft agreement as well as CIS, PP & wallet ID for review, approval.
- Seller reciprocates with CIS, PP & Attestation letter (POC) of wallet that is the source of the bitcoin.
- The Seller sends letter of instructions to the BUYER to receive proof of funds. The proof of funds (duly certified by the bank or institution with a phone number and an in-charge person inside the institution where the funds are kept so a due diligence can be done).
- Buyer sends funds of the corresponding amount in USD of agreed Bitcoins tranche amount, via Bank Wire Transfer to nominated COLTAF account at JP MORGAN CHASE BANK or Escrow Account.

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- Seller's confirmation of the contracted escrow deposit will initiate placement of BTC first tranche amount/value directly into Buyer's Wallet, preference and delivery in favor of Buyer/beneficiary per tranche schedule and repeated until contract commitment completed.
- The Attorney/Paymaster COLTAF account is in the USA at JP Morgan Chase Bank.
- Payment method Bank to Bank, Ledger to Ledger, Attorney to Attorney.

Buyers Confirmation

I HEREBY AFFIRM, UNDER PENALTY OF PERJURY, THAT THE INFORMATION AFFIXED BELOW IN THIS DOCUMENT IS TRUE AND CORRECT. (Fraud or misrepresentation of any evidence that is presented with this notice to the agreement may constitute grounds for disenrollment or other definitive action).

I have read and understand the terms and conditions above and I am interested in purchasing this Bitcoins, and I have presented my LOI and attorney attestation letter to further negotiate my position.

[Client Name]

By: _____

Name:

Title: BUYER

Date: January 03, 2019

* * *

[Exhibit]

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Appendix G

* * *

[Counsel block omitted]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

No. 3:20-cv-07811-RS

UNITED STATES OF AMERICA,
Plaintiff,

v.

APPROXIMATELY 69,370 BITCOIN (BTC), BITCOIN GOLD
(BTG) BITCOIN SV (BSV) and BITCOIN CASH (BCH)
seized from 1HQ3Go3ggs8pFnXu
HVHRytPCq5fGG8Hbhx,
Defendant.

FIRST 100, LLC, 1ST ONE HUNDRED HOLDINGS, LLC,
and BATTLE BORN INVESTMENTS COMPANY, LLC,
Claimants.

Filed August 10, 2021
Document 98-3

Date: September 9, 2021
Time: 1:30 p.m.
Ctrm: 3 (Via Zoom)

The Hon. Richard Seeborg
Trial Date: None Set

**DECLARATION OF JAY BLOOM
IN SUPPORT OF CLAIMANTS' OPPOSITION
TO MOTION TO STRIKE THE CLAIMS OF
CLAIMANTS BATTLE BORN INVESTMENTS
COMPANY, LLC, FIRST 100, LLC AND 1ST
ONE HUNDRED HOLDINGS, LLC**

I, Jay Bloom, declare as follows:

1. I am a founder and Director of Claimants First 100, LLC, 1st One Hundred Holdings, LLC and Battle Born Investments Company, LLC (hereinafter collectively "Claimants"). I have personal knowledge of the facts set forth herein, except as to those stated on information and belief and, as to those, I am informed and believe them to be true. If called as a witness, I could and would competently testify to the matters stated herein.

2. Since 2017, I have hired data scientists, forensic experts, private investigators and attorneys to assist Claimants in tracking down Raymond Ngan's assets in Claimants' efforts to enforce a \$2,211,039,718.46 judgment against him, and to track down the assets that Claimants acquired as part of their purchase of Raymond Ngan's Bankruptcy Estate on May 14, 2018.

3. One group of forensic experts that I hired to review Mr. Ngan's electronically stored information was Holo Discovery. In April 2019, Holo Discovery imaged Mr. Ngan's computer and uploaded the images to a database.

4. I also engaged a private investigator, Lou Cologiovani from Isotro Consulting, to conduct a

forensic review of Mr. Ngan's imaged devices in the Relativity database.

5. On information and belief, Mr. Cologiovani's review of the Mr. Ngan's imaged files revealed Mr. Ngan's business correspondence that indicated his control over the 1HQ3 Wallet.

6. On January 28, 2021, I received text messages from my business partner, John Cooper, informing me that the same amount of Bitcoins contained in the 1HQ3 Wallet, worth over \$2.3 billion that day, had been transferred to another Bitcoin wallet, bc1qa5wkgaw2dkv56kfvj49j0av5nml45x9ek9hz6, three months earlier. John's text also had a link to an article dated November 5, 2020 entitled "Record \$1 billion worth of Bitcoin linked to the Silk Road seized by U.S. Government," which reported that "69,370 Bitcoins — worth about \$1 billion — had been moved out of a Bitcoin wallet" and seized. Attached as Exhibit 1 is a true and correct copy of these January 28, 2021 text messages that I received from John Cooper. This was the first time I became aware that the Bitcoin in the 1HQ3 Wallet associated with Mr. Ngan had been removed. I later learned it had been removed due to seizure by the Government.

7. As soon as I found out about the seizure I promptly began searching for attorneys to assist Claimants in defending their claim to the 1HQ3 Wallet. Throughout the month of February I engaged several counsel for the instant matter including Mr. Guy Lewis, former U.S. Attorney for the Southern District of Florida and former Director of the Executive Office for United States Attorneys. On or about February 27, 2021 Claimants also engaged Fox

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Rothschild to represent their interest in the 1HQ3 wallet.

8. Claimants were not served with notice of the forfeiture and were unaware of any published notice until the Government provided a copy of the Declaration of Publication on May 24, 2021.

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

Executed on this 10th day of August, 2021, in Las Vegas, Nevada.

[handwritten signature]

JAY BLOOM

* * *

[Exhibits]

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Appendix H

* * *

[Counsel block omitted]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

No. 3:20-cv-07811-RS

UNITED STATES OF AMERICA,
Plaintiff,

v.

APPROXIMATELY 69,370 BITCOIN (BTC), BITCOIN GOLD
(BTG) BITCOIN SV (BSV) and BITCOIN CASH (BCH)
seized from 1HQ3Go3ggs8pFnXu
HVHRytPCq5fGG8Hbhx,
Defendant.

FIRST 100, LLC, 1ST ONE HUNDRED HOLDINGS, LLC,
and BATTLE BORN INVESTMENTS COMPANY, LLC,
Claimants.

Filed August 10, 2021
Document 98-4

Date: September 9, 2021
Time: 1:30 p.m.
Ctrm: 3 (Via Zoom)

The Hon. Richard Seeborg
Trial Date: None Set

**DECLARATION OF JOSEPH GUTIERREZ
IN SUPPORT OF CLAIMANTS' OPPOSITION
TO MOTION TO STRIKE THE CLAIMS OF
CLAIMANTS BATTLE BORN INVESTMENTS
COMPANY, LLC, FIRST 100, LLC AND 1ST
ONE HUNDRED HOLDINGS, LLC**

I, Joseph Gutierrez, declare as follows:

1. I am an attorney duly admitted to practice before the State of Nevada and United States District Court for the District of Nevada. I am the founding partner of Maier Gutierrez & Associates. I have personal knowledge of the facts set forth herein, except as to those stated on information and belief and, as to those, I am informed and believe them to be true. If called as a witness, I could and would competently testify to the matters stated herein.

2. I was lead trial counsel for claimants First 100, LLC and 1st One Hundred Holdings, LLC ("Claimants") against Raymond Ngan and his entities in litigation that proceeded in the Eighth Judicial District Court of the State of Nevada as Case No. A-16-738970-C.

3. On March 28, 2017, Claimants First 100 and 1st One Hundred obtained a judgment for \$2,211,039,718.46 against Raymond Ngan and his entities in Nevada state court, Case No. A-16-738970-C.

4. The lawsuit concerned Mr. Ngan's breach of agreements to provide approximately \$160 million to Claimants' business ventures.

5. These agreements entered into by Claimants were with the understanding that Mr. Ngan was known to be an individual of substantial personal wealth.

6. The Nevada state court found that Mr. Ngan's intentional breach and failure to perform resulted in the loss of approximately \$1 billion in profits to Claimants, an amount that the Nevada Court doubled by way of punitive damages, resulting in the largest judgment in the State of Nevada for a single civil case.

7. To enforce the judgment, Claimants conducted substantial discovery efforts into Mr. Ngan's assets, including both domestic and international collection efforts.

8. To date, the collection efforts have revealed tens of millions of dollars' worth of 25 assets held by Mr. Ngan, some of which Claimants have acquired, and Claimants' investigation 26 remains ongoing. For example, Claimants discovered at least 272 kilograms of Monatomic Ultra-Pure Electrolytic Copper Powder, a rare isotope with enormous value, and a bank account worth \$8 million belonging to Mr. Ngan, both of which assets he failed to disclose in his bankruptcy filings.

9. Mr. Ngan filed a voluntary bankruptcy case ("Bankruptcy Case") under Chapter 7 of the United States Bankruptcy Code on July 31, 2017.

10. The Bankruptcy Case was filed in the United States Bankruptcy Court, District of Nevada ("Bankruptcy Court") and was assigned Case No. 17-14166-BTB.

11. Claimants conducted substantial discovery into Mr. Ngan's assets during the Bankruptcy Case, including hiring private investigators to search of Mr. Ngan's domestic and international assets, conducting multiple 2004 examinations on Mr. Ngan, his family, friends, and business associates, and issuing subpoenas to various financial institutes where Mr. Ngan was believed to hold assets.

12. Battle Born Investments Company, LLC ("Battle Born") is a Nevada limited liability company that purchased the assets of the Raymond Ngan bankruptcy estate on May 8, 2018.

13. On May 14, 2018, U.S. Bankruptcy Judge Beesley approved the Battle Born Purchase Agreement and entered an Order granting Motion to Approve Sale of assets of the Ngan Bankruptcy estate to Battle Born. The order approved the Purchase and Sale Agreement between Battle Born and the United States Trustee for the Ngan bankruptcy estate, which included all disclosed and undisclosed property interests of the bankruptcy debtor.

14. In August of 2018, Mr. Ngan attempted to settle the judgment with Claimants and represented he had access and the ability to pay \$75 million toward a global settlement with Claimants.

15. On November 23, 2018, the parties entered into a Memorandum of Understanding for settlement of the case and judgment for a total settlement amount of \$75 million. Mr. Ngan, however, failed to fund the agreement and the case did not settle.

16. In January of 2019, Claimants continued with discovery and collection efforts on Mr. Ngan after he

failed to fund the Memorandum of Understanding to settle the case. Claimants noticed several continued 2004 examinations of Mr. Ngan and requested production of financial information that he previously failed to disclose.

17. On March 13, 2019, Judge Beesley ordered Ngan to produce all of his electronically stored information on his laptops, cell phone, chat logs, and emails.

18. On information and belief, on March 14, 2019, in violation of Judge Beesley's order, Robert Dooley gave Mr. Ngan's laptop and cell phone to Mr. Ngan's business partner, Samuel Oliver, who then fled with the devices to Canada.

19. On March 15, 2019, Judge Beesley issued a writ of assistance to allow the U.S. Marshal Service to seize all of Mr. Ngan's financial records, any correspondence, any electronic storage devices, and all electronically stored information.

20. On March 20, 2019, my firm hired Holo Discovery to conduct a forensic imaging of Ngan's electronic devices.

21. On information and belief, on April 9, 2019, Samuel Oliver sent Mr. Ngan's laptop and cell phone to his attorney, John Harper, Esq., who then turned them over to the Claimants' data forensic experts at Holo Discovery in Las Vegas, Nevada.

22. Holo Discovery took possession of Mr. Ngan's laptop and cell phone and conducted a forensic imaging of the hard drive and files, uploading them to

Relatively, which is a web-based review platform, for counsel for Claimants to access and review.

23. Claimants engaged a private investigator, Lou Cologiovani from Isotro Consulting, to conduct a forensic review of Mr. Ngan's imaged devices in the Relativity database.

24. On information and belief, Mr. Cologiovani's review of the Mr. Ngan's imaged files revealed Mr. Ngan's negotiations and documents relating to transactions involving the 1HQ3 Wallet, that Mr. Ngan and Mr. Oliver called each other no less than 600 times from late December 2018 through mid-March 2019, and that Mr. Oliver deleted fifty-four files from Mr. Ngan's devices over a two-day period.

25. On October 9, 2020, the Bankruptcy Court entered an Order concerning ownership and transferability of the Copper Isotope asset in Mr. Ngan's possession and found Battle Born to be deemed a good faith purchaser of the assets of the Estate. Attached as Exhibit 1 is a true and correct copy of the October 9 Bankruptcy Court Order.

26. On December 5-6, 2019, the Bankruptcy Court scheduled a hearing in which Mr. Ngan was to provide sworn testimony regarding his Bankruptcy Case, assets, destruction of evidence, and business dealings. We also planned at the hearing to request that Mr. Ngan turn over the contents of the 1HQ3 Wallet. However, a few days before the hearing, Mr. Ngan provided the Bankruptcy Court with a doctor's note requesting a continuance to the hearing based upon a medical condition.

27. On January 31, 2020, the Bankruptcy Court held a status hearing on the continued hearing on Claimant's Order to Show Cause why Debtor should not be held in contempt and Mr. Ngan again failed to appear.

28. Claimants have attempted to discover the extent of Mr. Ngan's assets and business dealings since the underlying Nevada state court action was filed against him in 2016.

29. On information and belief, Claimants have incurred several hundred thousand dollars in costs alone in attempting to collect on their judgment and in discovery into Mr. Ngan's assets.

30. My investigation of Mr. Ngan has revealed evidence that "Individual X," who according to the Government turned over the 1HQ3 Wallet to the Government, may be Nikita Kislitsin, a Russian hacker, or an associate of Mr. Kislitsin. Because we have evidence that Mr. Ngan was prepared to put 1HQ3 into escrow for a sale, we are continuing to investigate a possible connection between Mr. Kislitsin and Mr. Ngan. Paragraphs 31 through 38 reflect information that I obtained in my investigation.

31. According to a trial brief submitted in March 2020 by the United States in the prosecution of a Russian hacker, Yevgeniy Nikulin, for hacking various U.S. companies such as DropBox, LinkedIn, and Formspring, Mr. Nikulin conspired with four other hackers who were not charged together in that

case, including Nikita Kislitsin, another Russian hacker.¹

32. According to Mr. Kislitsin's unsealed indictment, the federal government indicted Mr. Kislitsin for hacking various accounts in the District of Nevada in 2013 (Case No. 2:13-cr-00101-GMN-EJY) and the Northern District of California in 2014 (Case No. 3:14-cr-00126). Mr. Kislitsin then met with FBI agents after being charged, but was not arrested.

33. On information and belief, Mr. Kislitsin was indicted in the Northern District of California and the District Court of Nevada at the same time that Mr. Ngan lived in those locations. In addition, per Mr. Kislitsin's Twitter feed, he listed his location in or around 2010-2012 as Las Vegas, where Mr. Ngan resided. Mr. Kislitsin's Twitter handle, @udalite, corresponds with an AKA listed by the U.S. Attorney's Office in the Northern District of California for Mr. Kislitsin in his March 13, 2014 indictment in this district. Attached as Exhibit 2 is a true and correct screenshot of Mr. Kislitsin's Twitter.

34. A jury convicted Mr. Nikulin at trial and the court sentenced him to 88 months in prison on September 29, 2020. *Id.*, Dkt. No. 282.

35. On information and belief, Mr. Kislitsin cooperated in the Government's prosecution of Mr. Nikulin.²

¹ See *United States v. Nikulin*, case No. 3:16-cr-00440, Dkt. No. 170 at 8-10, 14 (N.D. Cal. March 3, 2020).

² Mike Eckel, *More Glimpses Of How Russian Intelligence Utilized Hackers Revealed In U.S. Trial*, 23 rferl.org (March 16,

36. On November 3, 2020, four weeks after Mr. Nikulin's sentencing, Individual X signed the Consent and Agreement to Forfeiture with the U.S. Attorney's office in the Northern District of California and turned over the contents of the 1HQ3 Wallet. (Dkt. No. 8, ¶ 23.)

37. On November 20, 2020, seventeen days after Individual X signed the agreement, a federal judge in Nevada unscaled Mr. Kislitsin's 2013 indictment in response to a Government motion, after virtually nothing had occurred in the case over seven years per the docket in that case.³ As the highest ranking federal prosecutors in the nation have commented, the unsealing of an indictment often indicates that the Government does not anticipate an arrest or prosecution.⁴

38. A search of the Office of Foreign Assets Control's ("OFAC") Sanction List reveals that the only

2020 16:13 GMT), <https://www.rferl.org/a/more-glimpses-of-how-russianintelligence-utilized-hackers-revealed-in-u-s-trial/30491223.html>.

³ *United States v. Kislitsin*, case No. 2:13-CR-00101-GMN-EJY, Dkt. No. 12 (D. Nev., Nov. 2020).

⁴ Jeff Stone, *Indictment names Group-IE executive in scheme to sell hacked data*, Cyberscoop (March 5, 2020), <https://www.cyberscoop.com/group-ib-nikita-kislitsin-indicted-formspring-nikulin/> ("When U.S. prosecutors unseal high-profile indictments against foreign suspects before they are arrested, it can be an implicit acknowledgement that individual is not likely to be apprehended and extradited to U.S. court soon. John Demers, assistant attorney general for national security, said last week that, if prosecutors believe an arrest is likely to occur "within a reasonable time frame," the government will keep charges sealed.").

other individual alleged to have co-conspired with Mr. Nikulin and who remains abroad and out of U.S. custody, Alexsey Belan, is subject to sanctions from the U.S. Government.⁵

39. Mr. Kislitsin has not been extradited and is not subject to sanctions from our government per the OFAC Sanction List. Instead, Mr. Kislitsin continues to operate as a prominent international businessperson in Moscow.⁶

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

Executed on this 10th day of August, 2021, in Las Vegas, Nevada.

[handwritten signature]

JOSEPH GUTIERREZ, ESQ.

* * *

[Exhibits]

⁵ <https://sanctionssearch.ofac.treas.gov/> (last checked Aug. 10, 2021).

⁶ See *Indictment names Group-IB executive in scheme to sell hacked data*, *supra* at fn. 4; see also *Group-IB's official statement on case No. CR 16-00-440 involving Nikita Kislitsin*, Group IB (March 5, 2020), <https://www.group-ib.com/media/official-statement-gib-cr-16-00440/>.

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Appendix I

* * *

[Counsel block omitted]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

No. 3:20-cv-07811-RS

UNITED STATES OF AMERICA,
Plaintiff,

v.

APPROXIMATELY 69,370 BITCOIN (BTC), BITCOIN GOLD
(BTG) BITCOIN SV (BSV) and BITCOIN CASH (BCH)
seized from 1HQ3Go3ggs8pFnXu
HVHRytPCq5fGG8Hbhx,
Defendant.

FIRST 100, LLC, 1ST ONE HUNDRED HOLDINGS, LLC,
and BATTLE BORN INVESTMENTS COMPANY, LLC,
Claimants.

Filed August 10, 2021
Document 98-5

Date: September 9, 2021
Time: 1:30 p.m.
Ctrm: 3 (Via Zoom)

The Hon. Richard Seeborg
Trial Date: None Set

**DECLARATION OF RYAN ANDERSEN
IN SUPPORT OF CLAIMANTS' OPPOSITION
TO MOTION TO STRIKE THE CLAIMS OF
CLAIMANTS BATTLE BORN INVESTMENTS
COMPANY, LLC, FIRST 100, LLC AND 1ST
ONE HUNDRED HOLDINGS, LLC**

I, Ryan Andersen, declare as follows:

1. I am a member of the State Bar of California and am duly admitted *pro hac vice* to practice before this Court. I am managing partner of Andersen Law Firm, Ltd. I have personal knowledge of the facts set forth herein, except as to those stated on information and belief and, as to those, I am informed and believe them to be true. If called as a witness, I could and would competently testify to the matters stated herein.

2. I was counsel of record to the Claimants for purposes of the chapter bankruptcy case filed by Raymond Ngan, which was previously pending as Case No. 17-14166-BTB in the United States Bankruptcy Court, District of Nevada, filed by Mr. Ngan on July 31, 2017.

3. On May 14, 2018, the Honorable Bruce Beesley of the Bankruptcy Court issued an order approving of the Trustee's sale of all assets of the bankruptcy estate to Battle Born, save certain reserved assets not relevant here. Judge Beesley's order specifically designated Battle Born a good faith purchaser of all assets of the Bankruptcy Estate, and such assets included all disclosed or undisclosed assets belonging to Mr. Ngan as of the date he filed bankruptcy, pursuant to 11 U.S.C. section 363(m). Attached as

Exhibit 1 is a true and correct copy of Judge Beesley's May 14 Order approving the sale of the Bankruptcy Estate.

4. Knowing that Mr. Ngan had failed to disclose material assets in his statements and schedules, the Claimants continued their discovery efforts to identify all assets that they had purchased as part of the Bankruptcy Estate, including those assets Mr. Ngan had failed to disclose.

5. On March 14, 2019, in violation of Judge Beesley's order to produce all of his electronically stored information on his laptops, cell phone, chat logs, and emails, and while Mr. Ngan was incarcerated for civil contempt, Mr. Ngan's associate, Robert Dooley, gave Mr. Ngan's laptop and cell phone to one Mr. Ngan's business partners, Samuel Oliver, who in turn fled to Canada with the devices.

6. On March 15, 2019, Judge Beesley issued a Writ of Assistance to allow the U.S. seize all of Ngan's financial records, correspondence, and any electronic storage devices, and all electronically stored information. Attached as Exhibit 2 is a true and correct copy of Judge Beesley's March 15 Writ of Assistance.

7. On March 19, 2019, I accompanied the U.S. Marshals to the home of Mr. Dooley to seize Mr. Ngan's electronic devices. I subsequently turned all of Mr. Ngan's electronic devices over to Claimant's data forensic experts at Holo Discovery in Las Vegas, Nevada.

8. Battle Born planned to compel Mr. Ngan to turn over the contents of the 1HQ3 Wallet during an

evidentiary hearing in the Bankruptcy Court proceedings that was set on December 5 and 6, 2019.

9. However, Mr. Ngan requested an extension of the evidentiary hearing on the order to show cause based on medical reasons, failed to appear at the continued order to show cause hearing set on January 31, 2020, and has since been non-responsive to various requests in the Bankruptcy Court proceeding.

10. On January 29, 2021, the day after learning that Bitcoins from Mr. Ngan's account had been transferred three months earlier, I reviewed the docket entries in the instant forfeiture action on PACER. I did not see anything on the docket report to indicate a deadline for claimants to file a claim for the seized Bitcoins. As of January 29, 2021, the docket contained five entries entitled "certificate of service" and I did not believe that a proof of service form would provide information relevant to the Claimants' claims. My practice specializes in bankruptcy matters and I do not have specific expertise in civil forfeiture.

11. To date, the Claimants do not know of Mr. Ngan's whereabouts.

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

Executed on this 10th day of August, 2021, as Las Vegas, Nevada.

[handwritten signature]
RYAN ANDERSEN

* * *

[Exhibits]

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Appendix J

Relevant Provisions

18 U.S.C. § 983. General rules for civil forfeiture proceedings

(a) Notice; claim; complaint.—

* * *

(2)(A) Any person claiming property seized in a nonjudicial civil forfeiture proceeding under a civil forfeiture statute may file a claim with the appropriate official after the seizure.

(B) A claim under subparagraph (A) may be filed not later than the deadline set forth in a personal notice letter (which deadline may be not earlier than 35 days after the date the letter is mailed), except that if that letter is not received, then a claim may be filed not later than 30 days after the date of final publication of notice of seizure.

(C) A claim shall--

(i) identify the specific property being claimed;

(ii) state the claimant's interest in such property; and

(iii) be made under oath, subject to penalty of perjury.

(D) A claim need not be made in any particular form. Each Federal agency conducting nonjudicial forfeitures under this section shall make claim forms generally

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available on request, which forms shall be written in easily understandable language.

(E) Any person may make a claim under subparagraph (A) without posting bond with respect to the property which is the subject of the claim.

* * *

(c) Burden of proof.--In a suit or action brought under any civil forfeiture statute for the civil forfeiture of any property--

(1) the burden of proof is on the Government to establish, by a preponderance of the evidence, that the property is subject to forfeiture;

(2) the Government may use evidence gathered after the filing of a complaint for forfeiture to establish, by a preponderance of the evidence, that property is subject to forfeiture; and

(3) if the Government's theory of forfeiture is that the property was used to commit or facilitate the commission of a criminal offense, or was involved in the commission of a criminal offense, the Government shall establish that there was a substantial connection between the property and the offense.

(d) Innocent owner defense.--

(1) An innocent owner's interest in property shall not be forfeited under any civil forfeiture statute. The claimant shall have the burden of proving that the claimant is an innocent owner by a preponderance of the evidence.

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(2)(A) With respect to a property interest in existence at the time the illegal conduct giving rise to forfeiture took place, the term “innocent owner” means an owner who--

(i) did not know of the conduct giving rise to forfeiture; or

(ii) upon learning of the conduct giving rise to the forfeiture, did all that reasonably could be expected under the circumstances to terminate such use of the property.

(B)(i) For the purposes of this paragraph, ways in which a person may show that such person did all that reasonably could be expected may include demonstrating that such person, to the extent permitted by law--

(I) gave timely notice to an appropriate law enforcement agency of information that led the person to know the conduct giving rise to a forfeiture would occur or has occurred; and

(II) in a timely fashion revoked or made a good faith attempt to revoke permission for those engaging in such conduct to use the property or took reasonable actions in consultation with a law enforcement agency to discourage or prevent the illegal use of the property.

(ii) A person is not required by this subparagraph to take steps that the person reasonably believes would be

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likely to subject any person (other than the person whose conduct gave rise to the forfeiture) to physical danger.

(3)(A) With respect to a property interest acquired after the conduct giving rise to the forfeiture has taken place, the term “innocent owner” means a person who, at the time that person acquired the interest in the property--

(i) was a bona fide purchaser or seller for value (including a purchaser or seller of goods or services for value); and

(ii) did not know and was reasonably without cause to believe that the property was subject to forfeiture.

(B) An otherwise valid claim under subparagraph (A) shall not be denied on the ground that the claimant gave nothing of value in exchange for the property if--

(i) the property is the primary residence of the claimant;

(ii) depriving the claimant of the property would deprive the claimant of the means to maintain reasonable shelter in the community for the claimant and all dependents residing with the claimant;

(iii) the property is not, and is not traceable to, the proceeds of any criminal offense; and

(iv) the claimant acquired his or her interest in the property through marriage, divorce, or legal separation, or

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the claimant was the spouse or legal dependent of a person whose death resulted in the transfer of the property to the claimant through inheritance or probate,

except that the court shall limit the value of any real property interest for which innocent ownership is recognized under this subparagraph to the value necessary to maintain reasonable shelter in the community for such claimant and all dependents residing with the claimant.

(4) Notwithstanding any provision of this subsection, no person may assert an ownership interest under this subsection in contraband or other property that it is illegal to possess.

(5) If the court determines, in accordance with this section, that an innocent owner has a partial interest in property otherwise subject to forfeiture, or a joint tenancy or tenancy by the entirety in such property, the court may enter an appropriate order--

(A) severing the property;

(B) transferring the property to the Government with a provision that the Government compensate the innocent owner to the extent of his or her ownership interest once a final order of forfeiture has been entered and the property has been reduced to liquid assets; or

(C) permitting the innocent owner to retain the property subject to a lien in favor of the Government to the extent of the forfeitable interest in the property.

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(6) In this subsection, the term “owner”--

(A) means a person with an ownership interest in the specific property sought to be forfeited, including a leasehold, lien, mortgage, recorded security interest, or valid assignment of an ownership interest; and

(B) does not include--

(i) a person with only a general unsecured interest in, or claim against, the property or estate of another;

(ii) a bailee unless the bailor is identified and the bailee shows a colorable legitimate interest in the property seized;
or

(iii) a nominee who exercises no dominion or control over the property.

* * *