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5	IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON			
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7	CHRIS HUNICHEN, individually and on behalf of all others similarly situated,	No. 2:19-cv-00615-RAJ-MAT		
8	Plaintiff,			
9	v.	FIRST AMENDED CLASS ACTION COMPLAINT		
10	Atonomi LLC, a Delaware LLC, CENTRI	JURY DEMAND		
11	Technology, Inc., a Delaware Corporation, Vaughan Emery, David Fragale, Rob Strickland, Kyle Strickland, Don Deloach,			
12	Wayne Wisehart, Woody Benson, Michael			
13	Mackey, James Salter, and Luis Paris,			
14	Defendants.			
15				
16	Plaintiff, individually and on behalf of a	ll others similarly situated, alleges the following		
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18	and belief as to all other allegations, based on investigation of counsel. This investigation			
19				
20	included, inter alia, a review of public statements and disclosure materials prepared by			
21	Defendants; media reports; interviews; soci	ial media; and other information concerning		
22	Defendants. The investigation of the facts j	pertaining to this case is continuing. Plaintiff		
	believes that substantial evidentiary support will exist for the allegations set forth herein after			
23	a reasonable opportunity for discovery.			
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First Amended Class Action Complaint and Jury Demand - 1 No. 2:19-cv-00615-RAJ-MAT

Ard Law Group PLLC

P.O. Box 11633 Bainbridge Island, WA 98110 Phone: (206) 701-9243 1

I. INTRODUCTION

This suit seeks the return of approximately \$20-25,000,000 worth of funds,
 together with statutory interest and attorneys' fees, which Defendants procured from investors
 through the sale of unregistered securities in violation of the Washington Securities Act, Chapter
 21.20 RCW (hereafter the "WSA" or the "Act").

6 2. The Act forbids the sale of unregistered securities, and allows purchasers of
7 unregistered securities to assert joint and several liability against anyone whose acts were
8 substantial contributing factors in the sales transaction.

3. The Act requires sellers and controllers to return the purchase price of unregistered
securities plus statutory 8% interest from the date of sale, together with reasonable attorneys' fees.

4. In spring 2018, Atonomi LLC ("Atonomi"), a wholly owned subsidiary of
CENTRI Technologies, Inc. ("CENTRI"), raised approximately \$25 million through the sale of
unregistered securities in through a six-month long "Initial Coin Offering," or "ICO."

Atonomi as seller, and the remaining defendants, as persons who substantially
contributed to the Atonomi ICO, thereby violated the WSA through their sale of unregistered
securities which they sold in the ICO.

17 6. The securities sold in the ICO were neither registered as required under the Act,
18 nor subject to any exemption from registration.

7. The ICO resulted in the sale of approximately \$25,000,000 in unregistered
securities, and therefore every defendant is jointly and severally liable that amount in refunded
sales proceeds, together with 8% interest dating from the spring 2018 sale, and attorneys' fees.

22

II. JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction over the claims pursuant to 28 U.S.C.
§ 1332(d)(2) because the amount in controversy exceeds \$5,000,000 exclusive of interest and costs
and at least one member of the putative class of plaintiffs is a citizen of a State different from any
defendant.

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9. This Court has personal jurisdiction over Atonomi and CENTRI because both
 corporate entities reside in this state by virtue of each maintaining its principal place of business in
 this state.

4 10. This Court has personal jurisdiction over certain among the individual defendants
5 because they reside in this state.

6 11. This Court has personal jurisdiction over all individual defendants because, as
7 described in greater detail below, each individual defendant purposely availed himself of the
8 privilege of conducting activities within this state, thus invoking the benefits and protection of the
9 laws of Washington.

10 12. This Court has personal jurisdiction over all individual defendants because, as
11 described in greater detail below, each individual defendant committed activities in violation of the
12 Act in this state and judicial district and/or directed at residents of this state, and thereby caused
13 harm within this state and to residents of this state.

14 13. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(b)(1) and (2) because
15 both corporate defendants Atonomi and CENTRI reside in this state and judicial district by virtue
16 of each maintaining its principal place of business in this state and judicial district.

17

III. PARTIES

18 14. Plaintiff Chris Hunichen invested \$191,250 in the Atonomi ICO on February 22,
19 2018.

20 15. Defendant Atonomi is a Delaware Limited Liability Company with a principal place
21 of business in Seattle, Washington.

16. Defendant CENTRI is a Delaware corporation with a principal place of business in
Seattle, Washington.

24 17. Defendant CENTRI is the parent company and sole owner of Atonomi LLC.
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26

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1 18. Defendant Vaughan Emery ("Emery") is the founder and former CEO of Atonomi, a Director of Atonomi, and currently is the self-described "evangelist" for Atonomi. Emery is also 2 3 the founder and former CEO of Defendant CENTRI. Emery is a Washington resident. 19. Defendant David Fragale was at all relevant times the Chief Product Officer of 4 5 Atonomi, and is a co-founder of Atonomi. 20. Defendant Robert Strickland is the current CEO of Atonomi and CENTRI. During 6 7 the ICO, Robert Strickland was a Director of Atonomi. 8 21. Defendant Kyle Strickland is the "community manager" for Atonomi, and in that role directed and continues to direct numerous company communications with investors and 9 prospective investors about the ICO. 10 22. 11 Defendant Don Deloach was at all relevant times the President of Atonomi and a Director of Atonomi, as well as President and COO of CENTRI. 12 23. Defendant Wayne Wisehart was at all relevant times a Director of both Atonomi 13 and CENTRI. Wisehart is a Washington resident. 14 24. Defendant Woody Benson was at all relevant times a Director of Atonomi. 15 25. Defendant Michael Mackey was at all relevant times the Chief Technology Officer 16 17 of both Atonomi and CENTRI. Mackey is a Washington resident. 26. 18 Defendant James Salter was at all relevant times the Director of Marketing for both Atonomi and CENTRI. Salter is a Washington resident. 19 27. 20 Defendant Luis Paris was at all relevant times the Principal R&D Engineer of both Atonomi and CENTRI. Paris is a Washington resident. 21 **IV. FACTS** 22 **Blockchains And ICOs** A. 23 28. As the SEC has explained, a "blockchain is an electronic distributed ledger or list 24 of entries – much like a stock ledger – that is maintained by various participants in a network of 25 computers. Blockchains use cryptography to process and verify transactions on the ledger, 26 First Amended Class Action Complaint and Jury Demand - 4 Ard Law Group PLLC

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providing comfort to users and potential users of the blockchain that entries are secure."¹ Well known examples of blockchain technology are the Bitcoin and Ethereum virtual currencies.

3 29. Atonomi advertised that the project for which it conducted its ICO would use
4 blockchain technology that it intended to develop after its ICO.

5 30. Blockchains generally record all transactions in the network in theoretically unchangeable, digitally recorded data packages called "blocks." Each block generally contains a 6 7 batch of records of transactions, including a timestamp and a reference to the previous block, linking the blocks together in a chain - hence the term "blockchain." For a transaction to be 8 9 valid on the blockchain, all network participants generally first reach a "distributed consensus" on the validity of transactions under review. Blockchains generally reach consensus by using the 10 11 same cryptographic algorithm to verify each transaction submitted to the blockchain. For cryptocurrencies secured by a widely distributed blockchain network, attempts to submit a false or 12 malicious transaction generally would be extremely difficult, if not impossible, since a malicious 13 actor must gain control of a majority of the nodes on the blockchain to achieve a malicious purpose. 14 Once a transaction is validated on the blockchain, the transaction generally cannot be canceled, 15 reversed, or altered in any way. Because the blockchain records and secures information for all 16 17 transactions, a participant can see every transaction involving the currency all the way back to 18 genesis.

31. Persons or entities creating blockchain technologies and distributed ledgers often
create and disseminate crypto-securities in the form of virtual "tokens" or "coins." A token or
coin may entitle its holders to certain rights related to an underlying venture, such as rights to
profits, shares of assets, rights to use certain services provided by the issuer, and/or voting rights.
The tokens or coins may also be traded on online exchanges, in exchange for virtual or fiat
currencies, and through convertibility into other tokens. As the SEC has stated, based on these

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^{26 &}lt;sup>1</sup> Investor Bulletin: Initial Coin Offerings, U.S. SECURITIES AND EXCHANGE COMMISSION (July 25, 2017), https://www.sec.gov/oiea/investor-alerts-and-bulletins/ib_coinofferings.

rights, "in certain cases, the tokens or coins will be securities and may not be lawfully sold without
 registration with the SEC or pursuant to an exemption from registration."²

3 **B**.

The Creation of Atonomi

4 32. CENTRI Technologies states that it "provides a complete, advanced security
5 solution for the Internet of Things."³

6 33. On December 4, 2017, CENTRI formed Atonomi, as a wholly owned subsidiary of
7 CENTRI and a Delaware LLC.

8 34. On December 5, 2017, Atonomi issued a press release identifying itself as "the
9 blockchain-based arm of leading IoT security provider CENTRI Technology."⁴

35. In that press release, Atonomi further "announced the launch of the Atonomi
Network, a crypto-security protocol that will enable advanced trust and identity validation for IoT
devices for the first time."⁵

13 36. On March 15, 2018, Atonomi registered to do business in this State, and identified
14 CENTRI Technology as its registered agent for service of process.

15 C. The Atonomi ICO

16 37. Almost immediately after its formation, and even before registering to do business
17 in Washington, Atonomi began raising funds through the sale of unregistered securities.

18 38. The Atonomi ICO consisted of two parts.

39. <u>First</u>, Atonomi sold securities through a written instrument called a "Simple
Agreement for Future Tokens," or "SAFT." An exemplary SAFT between Atonomi and Plaintiff
Hunichen is attached hereto as Exhibit A.

- 22
- 23 2 Id.

25 A See https://atonomi.io/news/centri-technology-launches-atonomi-network-to-bring-security-and-trust-to-internet-of-things (last accessed June 20, 2019).
 26 5 Id.

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^{24 &}lt;sup>3</sup> See https://www.centritechnology.com/company-about-centri/ (last accessed June 20, 2019).

40. The SAFT is a contract between Atonomi and each investor whereby the investor
 2 transferred a digital currency with a specified value in U.S dollars to Atonomi.

3 41. Atonomi in exchange promised to transfer Atonomi "coins" or "tokens" to the
4 investor in the future.

5 42. The SAFT is the offer and sale of a security instrument, as it states on the first page,
6 first line.

7 43. The SAFT "certifies that in exchange for the payment by [name] (the
8 "Purchaser") of [an amount of Ethereum coins] (the "Purchase Amount") on or about [date],
9 Atonomi, LLC, a duly formed Delaware limited liability company in good standing (the
10 "Company"), hereby issues to the Purchaser the right to purchase certain units of the Atonomi
11 Token (the "Token(s)"), subject to the terms and conditions set forth below." Exhibit A at 2.

12 44. In each SAFT, "[t]he Company and Purchaser agree the Purchase Amount has a
13 value of US\$ [specified amount] for purposes of Section 3." Exhibit A at 2.

45. Atonomi conducted the ICO for the purpose of raising investment capital.

46. As stated in the SAFT, "'<u>SAFT</u>' means an instrument containing a future right to
Tokens, *similar in form and content to this instrument, sold by the Company for the purpose of generating future revenue.*" Exhibit A at 4 (emphasis added).

18 47. Atonomi stated that it would use the investment capital to develop blockchain19 technology.

48. As stated in the SAFT, "The Purchaser understands that the design and structure
of the Token, the Atonomi Protocol, and the allocation and distribution of Tokens remain under
development and may materially change from their current descriptions in the Company's
whitepaper and other materials." Exhibit A at 7.

49. Further demonstrating that the SAFT represented the sale of securities, the parties
to the SAFT agreed "to treat this instrument as a forward contract for U.S. federal, state and local
income tax purposes . . . "

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i.		
1	50.	A forward contract is a type of security instrument.
2	51.	Between January and June, 2018, Atonomi entered into numerous SAFTs with
3	investors and	obtained direct transfers of funds in Ethereum from these investors.
4	52.	Defendants also referred to the SAFT sales as "pre-sales", as in, the pre-cursor
5	sale to the pub	blic token sale, described <i>infra</i> .
6	53.	Second, after the completion of the SAFT-based offering or presale, Atonomi
7	conducted a v	website-based "Token Sale," during which it sold Atonomi "coins" or "tokens"
8	through its website directly to members of the public that did not sign any SAFT.	
9	54.	Section 1(a) of the SAFT conditioned delivery of tokens pursuant to the SAFT
10	upon the occurrence of this "Token Sale." See Exhibit A at 2.	
11	55.	Upon information and belief, this second phase of Atonomi's ICO occurred on June
12	6, 2018.	
13	56.	On June 6, 2018, Defendants announced on Atonomi's website that "the sale is
14	now closed."	The announcement stated further:
15		approximately 133m tokens to our pre-cleared purchasers and received ETH in this public sale. We had 14,300 customers buy our tokens and we are
16	so very a	ppreciative of your belief in the power of securing the IoT with the Atonomi . To check if your transaction was successful, you can confirm by searching
17	your tra	nsaction ID on EtherScan. There you can look for the "Success" status r. Also, to see how many ATMI tokens you purchased, look at the circled
18	field. ⁶	
19	57.	Upon information and belief, Atonomi raised over 42,000 Ethereum tokens in the
20	course of its I	CO.
21	58.	In light of Atonomi's announcement that it received approximately 14,000 ETH in
22	the public sale	e, Atonomi raised at least 28,000 ETH in sales to pre-sale investors.
23		
24		
25		
26	⁶ See https:	//atonomi.io/news/sale-closed (last accessed June 20, 2019).

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59. Upon information and belief, Defendants raised at least \$25,000,000 in the
 Atonomi ICO, the vast majority of it from investors who purchased and received Atonomi Tokens
 by entering into SAFT agreements with Defendants.

4 60. Following the completion of the ICO, Atonomi tokens were delivered to all
5 investors in July 2018.

D. The Atonomi SAFT Was A Security; The Tokens Sold To Investors Through the SAFT Offering Were Securities

8 61. On March 20, 2018, Atonomi filed a Form D, "Notice of Exempt Offering of
9 Securities" with the United States Securities Exchange Commission.

62. In filing the Form D, Atonomi acknowledge that it was selling a security.

11 63. Atonomi told all investors that its ICO was a securities offering.

10

64. The SAFT states that "THE OFFER AND SALE OF THIS SECURITY 12 INSTRUMENT HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 13 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS 14 OF CERTAIN STATES. THIS SECURITY MAY NOT BE OFFERED, SOLD OR 15 OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT 16 AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES 17 LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN 18 EXEMPTION THEREFROM." Exhibit A at 1 (emphasis in original). 19

65. In addition to being a forward contract, the SAFT is an "investment contract," the
catch-all definition of a security. Pursuant to the test promulgated in *SEC v. W. J. Howey Co.*, an
investment contract is "an investment of money in a common enterprise with profits to come
solely from the efforts of others." 328 U.S. 293, 301 (1946).

66. In numerous online chat messages with investors, Defendants described their
transfers of funds pursuant to the SAFT, made in exchange for future "tokens," as
"investments."

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P.O. Box 11633 Bainbridge Island, WA 98110 Phone: (206) 701-9243 67. Entering into the SAFT and transferring Ethereum tokens to Atonomi constituted
 an investment of money.

3 68. Each SAFT identified the number of Ethereum tokens used for the purchase of4 Atonomi tokens.

5 69. Each SAFT characterized the number of Ethereum tokens as a "Purchase
6 Amount."

70. Each SAFT gave a value in U.S. dollars attributable to the Ethereum tokens.

8 71. Investors who entered into SAFTs with Atonomi invested in a common enterprise
9 with a reasonable expectation of profits.

10 72. Atonomi informed investors that the reason for the ICO was to raise funds for
11 Atonomi to use to develop blockchain technology and issue future tokens, from which investors
12 would profit.

The SAFT described the SAFT's terms as "an instrument containing a future right
to Tokens . . . sold by the Company for the purpose of generating future revenue." Exhibit A at 4.

15 74. Investors in the Atonomi SAFT offering received the right to future tokens, and16 ultimately received such tokens.

17 75. These investors expected to profit from the managerial and technical efforts of18 Atonomi, CENTRI, and its employees.

19 76. Investors did not expect to have to work themselves to develop the blockchain20 technology for Atonomi to succeed and return a profit to investors.

77. Indeed, as a part of its ICO, Atonomi published a "product roadmap" stretching
from 2018 to 2019, describing the product it would build using ICO funds, which is still available
on its website.⁷

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26 ⁷ See https://atonomi.io/solution (last accessed June 20, 2019).

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P.O. Box 11633 Bainbridge Island, WA 98110 Phone: (206) 701-9243 78. The SAFT included the definition that "<u>Atonomi Protocol</u>' means the Atonomi
 protocol and infrastructure *under development by Company* that is designed to enable, through
 specified uses of the Token, security for Internet-of-Things devices." Exhibit A at 3 (emphasis
 added).

5 79. On information and belief, Atonomi launched a "beta" network shortly before the
6 June 6, 2018 public token sale.

80. On information and belief, the beta network had few or no users for its stated
purpose of securing IoT devices.

9 81. On information and belief, the Atonomi tokens, when delivered to SAFT investors,
10 performed no practical function other than as an investment.

11 82. Approximately one month after the completion of the Atonomi public sale, instead
12 of developing any blockchain protocol of its own, Atonomi launched an Ethereum-based token on
13 July 12, 2018, distributed these tokens to those that purchased tokens in the SAFT offering, and
14 "unlocked" the tokens for trading immediately.⁸

15 83. On that date, Atonomi acknowledged that the tokens had no substantive utility, 16 when it stated that a person could begin to activate an account by emailing Atonomi. Upon receipt 17 of that email, Atonomi would respond: "After we receive your information above confirming your 18 intention to register devices we will email your individual credentials and a link to access the 19 registration portal, *which will be available soon*. The portal will feature instructions on how to go 20 through the process."⁹ (Emphasis added.)

21 84. The Atonomi tokens were issued and exist solely on the Ethereum cryptocurrency
22 network.

- 23
- 24 25

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⁸ See https://atonomi.io/news/atonomi-tokens-update (last accessed June 20, 2019).
9 Id.

85. As of the date of this complaint, the Atonomi tokens have developed no substantive
 utility other than as a vehicle for investment.

3 86. These Atonomi tokens were securities, and were not registered nor subject to any
4 exemption from regulation.

- 5 87. While Atonomi acknowledged that no holder of an Atonomi token could, on the day
 6 those tokens were released, make use of it on the Atonomi network, it immediately took steps to
 7 encourage trading in the tokens.
- 8 88. In private messages with investors, Defendant Vaughn Emery acknowledged that
 9 when Defendants distributed Atonomi tokens to investors, a cryptocurrency exchange called
 10 "IDEX" had become the "first exchange to list ATMI" for trading.
- 11 89. Defendant Emery further acknowledged in private messages with investors that
 12 Defendants were "watching the trading activity" closely.
- 90. As investors dumped their holdings of Atonomi tokens on July 12, 2018, the day the
 tokens were distributed, Defendant Emery acknowledged in private messages that it was "hard to
 believe sellers would take a loss on the first day. ... I am long term on the value of the solution."
- 16 91. In order to raise the price of Atonomi tokens and increase liquidity, Defendants
 17 sought out more venues to enable trade. On August 6, 2018, Atonomi published a "Community
 18 FAQ" on its website. In response to a question about "New Exchanges," that is, trading venues
 19 for the Atonomi token. Defendants stated:

We are actively engaged in dialogue with top exchanges. We are not in a position to comment on which exchanges will be listing the ATMI token before that happens but we expect the current list to expand.¹⁰

- 92. On September 23, 2018, Defendant Emery spoke with an investor in an online
 investor chat on the Telegram platform. In response to a question about what other exchanges
 Atonomi will be listed on, Defendant Emery stated that, "I am in regular contact with the team at
- ²⁶ ¹⁰ See https://atonomi.io/news/latest-community-faqs (last accessed June 20, 2019).

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Bittrex¹¹ that does the onboarding. We seem to be through their diligence and pending listing. I
 have asked for a timeline, but they do not provide any listing details. There are a number of tier #2
 exchanges we are looking into as well."

4 93. In messages sent to an investor in the Atonomi ICO on or about February 14, 2019
5 Defendant Fragale stated, referring to Atonomi, "that is an unregistered security in my book." *See*6 Exhibit B.

7 E. Neither The Atonomi SAFT Or Atonomi Token Was Registered

94. The Atonomi ICO was not registered with the Securities Exchange Commission.

9 95. The Atonomi ICO was not registered with any federal agency responsible for10 overseeing securities offerings.

11 96. In filing a Form D, Atonomi asserted that its sale of securities did not require12 registration.

13 97. The Atonomi ICO was not registered with the Washington State Department of14 Financial Institutions.

15 98. The Atonomi ICO was not registered with any Washington state agency responsible
16 for overseeing securities offerings.

17 F. The Atonomi SAFT Was Not Exempt From Registration

18 99. In filing a Form D, Atonomi claimed that its sale was exempt from registration
19 because it would comply with the restrictions in 17 C.F.R. § 203.506(b) ("Rule 506(b)").

20 100. On information and belief, Atonomi and all defendants knowingly offered and sold,
21 or were willfully blind to the fact that they offered and sold, the securities in the Atonomi ICO in
22 violation of the restrictions set forth under Rule 506(b).

Specifically, Atonomi violated Rule 506(b) in three ways.

23 24 101.

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¹¹ Bittrex, a Seattle-based cryptocurrency exchange, is one of the largest such exchanges in the country.

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<u>First</u>, Atonomi and all defendants knowingly offered and sold, or were willfully
 blind to the fact that they offered and sold, the securities in the Atonomi ICO to more than 35
 unaccredited investors, who were not sophisticated.

4 103. <u>Second</u>, Defendants failed to ensure that the SAFT, and the tokens sold pursuant
5 to the safe, were sold as a "restricted security," that is, a security that could not be transferred
6 within 12 months of the sale.

7 104. <u>Third</u>, Atonomi and all defendants knowingly offered and sold, or were willfully
8 blind to the fact that they offered and sold, the securities in the Atonomi ICO through a general
9 solicitation and furthermore, used general advertising to solicit investors and conduct the sale.

10

1.

Defendants Sold Securities To Unaccredited Investors

105. For example, during 2018, as public interest in ICOs grew, ICO projects like
Atonomi began to demand ever higher investments from SAFT buyers in order to participate in
SAFT-based "pre-sales." In response, numerous groups of unsophisticated retail investors began
to pool their funds in order to invest into SAFT offerings. These groups were commonly known as
"pools" or "syndicates."

16 106. In a pool or syndicate, one lead investor would engage in discussions with an ICO,
17 sign the SAFT in that investor's own name, and transmit funds to the ICO.

18 107. In Atonomi's case, Defendants knew or were willfully blind to the fact that they
19 were selling the SAFT offering, and by extension, Atonomi tokens, to unsophisticated investors
20 who were members of such "pools" and "syndicates."

108. In a February 6, 2018 online conversation between Defendant Emery and a SAFT
investor who was a member of an investment pool, Defendant Emery engaged in the following
exchange with the investor:

24 25 Emerv: "fvi, there are *three syndicates* that we have allocated more than 1M ETH, the balance is spread among many."

23 26

Investor: "we are also a group," "so tokens will be good distributed."

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P.O. Box 11633 Bainbridge Island, WA 98110 Phone: (206) 701-9243 Emerv: "ves. *vour group is one of the three* ... we are pushing for as broad a dist[ribution] as possible ..."

(emphasis added)

1

2

3

4 109. This and other syndicates that transacted with Defendants included unaccredited
5 investors, a fact that Defendants were aware of, or willfully ignored.

110. In this and other instances, precisely in order to avoid having to conduct investor
suitability analysis on every "pre-sale" investor, Defendants knowingly entered into a single SAFT
with one investor in the syndicate in order to sell the SAFT offering and Atonomi Tokens to the
remaining, potentially unaccredited members of the syndicate.

111. Indeed, discussing how to support the price of Atonomi tokens during the pre-sale
phase in early 2018, Defendant Emery stated in private messages that, "I am in touch with each of
the larger syndicate groups to better understand their unique needs and a solution they [sic] works
for all," and that "ideally *the leaders* of each syndicate *agree on how they will hold and sell* once
listed. I would prefer not to have a firm lockup policy." This statement shows Defendant Emery's
knowledge that "the leaders" of syndicates may help control how syndicate members trade their
Atonomi tokens.

17 112. While "three syndicates" were allocated the right to invest "1M ETH" into
18 Atonomi, multiple other pools and syndicates received other allocations and invested into the
19 Atonomi SAFT offering with Defendants' knowledge.

113. By way of illustration, Defendants engaged multiple third party service providers to
solicit and communicate with investors in chat channels open to the public. One such solicitation
and communications service provider Atonomi engaged was known as "AmaZix", which acted as
Defendants' agent during the ICO process. On one such channel hosted on the chat service
Telegram, which was popular with ICO investors, "pooling" was common knowledge and broadly
acknowledged by AmaZix.

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114. For example, on January 21, 2018, a conversation took place on Atonomi's public
 Telegram channel where an AmaZix moderator in the employ of Atonomi acknowledged and
 encouraged the support of a "pool." Furthermore, on June 8, 2018, during a conversation on
 Atonomi's public Telegram channel, two AmaZix moderators in the employ of Atonomi
 acknowledges that while the cap for individual public sale investors was "1 ETH," there was "no"
 cap "if you did pooling."

7 115. Upon information and belief, Defendants' attorneys required SAFT counterparties
8 to fill out an "Investor Suitability Questionnaire" in order to track the accreditation status of
9 presale investors.

10 116. In certain instances when transacting with pools, Defendants required every
11 member of the pool to fill out the investor questionnaire. However, in other instances, Defendants
12 knowingly allowed accredited pool representatives to fill out the questionnaire in return for pre13 sale "allocations," or allowed sums of money to invest. Defendants did so in the full knowledge
14 that such pool representatives would be transferring the Atonomi tokens they received to other
15 members of the pool, who were often unaccredited.

16 117. Despite this knowledge, Defendants did not attempt to ascertain the accreditation
17 status or sophistication of the remaining investors in the pools they transacted with, exclude
18 unaccredited investors in the pools, or to otherwise ensure that there were no more than 35
19 unaccredited investors who were unsophisticated investing in the Atonomi ICO, as required by
20 Rule 506(b).

118. For example, in at least one instance where Defendants were knowingly transacting with a pool, Defendant Emery engaged in communications with multiple members of the pool, and was informed by members of the pool that one individual member of the pool would be completing Defendants' "documents," which included the suitability questionnaire, in order for the pool to invest. Defendant Emery acknowledged this work-around to the accreditation process, and told the representative of the pool that there were a few "groups" that failed to clear accreditation, but

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that this group of investors (most of whom were unaccredited), having cleared the process through
its lone accredited representative, was "good to go!"

3 119. Defendant Emery, despite knowing that there were other individuals in the pool
4 investing through the investor who filled out the Questionnaire, did not require the remaining
5 investors to similarly participate in the accreditation process.

6 120. Where unaccredited investors are included in a Rule 506(b) Offering, the issuer is
7 required to provided disclosure documents such as financial statements to such unaccredited
8 investors. On information and belief, Defendants knowingly offered and sold, or were willfully
9 blind to the fact that they offered and sold, the securities in the Atonomi ICO to unaccredited
10 investors without providing the disclosure documents required by Rule 506(b).

11 12 2. Defendants Did Not Lock Up The Restricted Securities They Sold In The SAFT-based Presale Offering

121. In an offering that complies with Rule 506(b), investors receive "restricted
securities" and the issuer is required to inform investors that such securities would be subject to
transfer restrictions and could not be resold unless certain conditions are met. As illustrated in
Paragraphs 105-120 *supra*, Defendants willfully sold securities to investors who they knew were
purchasing SAFT Offerings for the express purpose of transferring interests in the SAFT
securities to other investors who were members of pools immediately.

19 122. Indeed, Defendants encouraged such transfers. As Defendant Emery
20 acknowledged, Atonomi, by engaging in transactions with pools, was "pushing for as broad a
21 dist[ribution] as possible ..." P 108. As such, Defendants violated the transfer restrictions under
22 Rule 144 and Rule 506(b) when they sold restricted SAFT securities.

23

3.

Defendants Relied On General Solicitation and General Advertising

123. Atonomi used public channels to solicit and encourage the attention of investors in
its offering. These public solicitations included numerous statements communicating with and
soliciting "pools" and other public investors in Atonomi's public Telegram channel.

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1 124. For example, as of the date of this filing, the Atonomi public Telegram channel
 2 contained over 11,000 individuals.

3 125. Atonomi used public communication channels prior to execution of the SAFTs to
4 solicit, advertise to, and initiate communications with investors with whom Defendants did not
5 have any prior relationship.

For example, on January 9, 2019, Defendant Emery advertised the "Atonomi 6 126. 7 Project" in Atonomi's Telegram channel. After his message touting Atonomi, an investor stated "I wanna join in pre sale!!" In response, an AmaZix moderator in the employ of Atonomi 8 9 immediately responded "Please pm me. Thank you for your interest!!"¹² Another investor immediately responded "I want to join pre sale ... how come I cant pm haha." The same AmaZix 10 11 moderator immediately responded, "I will pm you." Likewise, on January 21, 2018 conversation with investor, in which investor inquired about the pre-sale and an AmaZix moderator in 12 Atonomi's employ immediately stated that he had "PMed" the investor. 13

14 127. Defendants and other Atonomi agents regularly and repeatedly communicated with
15 and solicitated public investors in connection with the offer and sale of Atomoni SAFT securities.
16 Indeed, such communications were among the primary methods through which Atonomi solicited
17 SAFT investors and obtained their investments.

18 128. Atonomi used multiple other forms of general solicitation and public advertising to19 solicit investments in the Atonomi ICO.

129. For example, Atonomi released a public website that touted its future prospects.
The website was not behind a firewall or any otherwise restricted public view. Anyone with an
internet connection could view the website for the Atonomi ICO and review offering documents.

130. Atonomi also conducted numerous public presentations and "pitches" in which it
attempted to solicit investors and generate interest in the Atonomi ICO. These presentations were

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^{26 &}lt;sup>12</sup> "PM" means "private message," or a direct person-to-person communication instead of a publicly broadcast message.

not limited in any way to sophisticated investors and were broadly open to members of the public.
 On information and belief, Defendants discussed the terms of the Atonomi ICO, and solicited
 indications of interest to invest in the ICO, with these members of the public.

4 131. For example, on January 5, 2018, Defendant Fragale made the following statement
5 in the public Atonomi Telegram chat channel:

6

7

8

Great to see early involvement here from supporters. ... Vaughan and I will be in Vegas *pitching* Atonomi at CoinAgenda event. Also, I'll be in NYC on panel w Hyundai and IOTA at Blockmatics event the 10th. ...

(emphasis added)

9 132. On January 13, 2018, Defendant Fragale posted two photos of his presentation in
10 Boston in the public Telegram chat channel with the caption: "Co-Founder David Fragale
11 presenting Atonomi to +150 in Boston Blockchain Crypto Event" and stating "Mob scene after
12 panel. Took 2 hours to talk to everyone about Atonomi afterward!" Defendant Fragale then
13 informed investors in the chat that "We'll be in SF for WCEF and BTC Miami this week. Will be
14 at London Blockchain Week Jan 21-25. Hope to see and meet folks there!"

133. On April 17, 2018, as Atonomi was still in the process of completing its SAFT sales,
Defendant Emery and a former employee Grant Fjermedal appeared in a public "Ask Me
Anything" or "AMA" session that was live-broadcast on Twitter.¹³ During the nearly hour-long
live broadcast, Fjermedal read questions being transmitted live by investors about the terms of the
ICO, and Emery answered those questions. Emery also touted Atonomi's technology and
prospects. Approximately 2800 viewers watched the live broadcast.

134. In addition to these efforts, Atonomi also used a Twitter account to post numerous
advertisements during the time it was soliciting SAFT investors. Amongst other things, between
January and February 2018, Atonomi's Twitter account advertised a "mailing list," encouraged
viewers to "join[] the conversation in [Atonomi's public] Telegram," where Defendants were

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^{26 &}lt;sup>13</sup>See https://twitter.com/search?lang=en&q=AMA%20(from%3Aatonomi)%20since%3A2018-04-16%20until%3A2018-04-18&src=typed_query (last accessed June 20, 2019).

actively soliciting investors and discussing the terms of the ICO, and publicized video recordings
 of Defendants public presentations concerning the Atonomi ICO.¹⁴

- 3 135. Atonomi used multiple other public avenues to generally solicit and advertise to
 4 investors. These included, for example, the popular ICO forum "bitcointalk.org," where ICO
 5 investors congregated and where numerous ICOs announced themselves during the 2017-2018
 6 cryptocurrency bubble.¹⁵
- 7 G. The Atonomi Token Was Not Exempt From Registration
- 8 136. Section 1(a) of the SAFT itself conditioned delivery of tokens upon the occurrence
 9 of a "Token Sale." See Exhibit A at 2.
- 10 137. Section 1(a) of the SAFT stated:
- 11 In connection with the purchase of Tokens pursuant to this Section 1(a), the Purchaser will execute and deliver to the Company all transaction documents related to the Token Sale (the "Token Sale Documents")
- 13 See Exhibit A at 2.
- 14 138. Upon information and belief, on or about June 5, 2018, Defendant Emery sent an e-
- mail to SAFT signatories containing a link to a "final terms of sale," displayed on a sub-page of
 Atonomi's website.
- 17 139. The June 5, 2018 email was not sent to all SAFT investors, because, as Emery and
 18 Atonomi knew, many SAFT investors were members of pools and did not individually sign SAFTs.
- 19 140. The e-mail stated that "I am very pleased to let you know the Atonomi public token20 sale will begin tomorrow at 5pm UCT."
- 21 141. Nothing in the e-mail required, or even asked, that its recipients click the link or22 assent to the "terms" contained on the linked web page.
- 23
- 24

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^{25 &}lt;sup>14</sup> See https://twitter.com/search?q=(from%3Aatonomi)%20since%3A2018-01-05%20until%3A2018-02-18&src=typed_query (last accessed June 20, 2019).

¹⁵ See https://bitcointalk.org/index.php?topic=3099916.0 (last accessed June 20, 2019).

1 142. Nothing in the e-mail made viewing the web-page or assenting to the terms
 2 contained within it a pre-condition to receiving tokens.

Indeed, despite the fact that the SAFT stated that "the Purchaser will execute and
deliver to the Company all transaction documents related to the Token Sale," no SAFT investor
was ever required to execute or otherwise assent to the purported "final terms of sale" e-mailed
on June 5, 2018.

7 144. All SAFT investors ultimately received their tokens without ever being required to
8 execute, nor display any signs of assent to any document, terms, or agreements other than the
9 SAFT.

10 145. No assent nor any display of assent to any terms beyond the SAFT was ever made
11 a precondition to SAFT investors' receiving their tokens.

12 146. Indeed, upon information and belief, the "final terms of sale" displayed on a sub13 page of Atonomi's website were not even in existence at the time the SAFT offering was being
14 marketed and sold to Plaintiff and members of the Class.

15 147. SAFT investors received Atonomi tokens, without engaging in any further16 agreements with the company beyond the SAFT.

17 148. As such, the Atonomi tokens were sold to the SAFT investors solely pursuant to18 the SAFT.

19 149. SAFT investors purchased the right to Atonomi tokens. As such, because
20 Defendants failed to comply with Rule 506(b) in conducting the Atonomi SAFT-based pre-sale,
21 the tokens delivered pursuant to the SAFT are also not exempt from registration for the same
22 reasons the SAFT was not exempt, as set forth above.

150. However, the Atonomi tokens also independently failed to comply with any
exemptions from registration because Defendants made no attempts whatsoever to prevent them
from being freely traded as required for restricted securities. Indeed, as allege above, Defendants
actively encouraged free-trading and sought out exchange venues for Atonomi tokens.

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Ard Law Group PLLC

P.O. Box 11633 Bainbridge Island, WA 98110 Phone: (206) 701-9243 1 151. On or about July 18, 2018, Atonomi and all defendants knowingly delivered
 2 Atonomi's Ethereum-based tokens to SAFT investors, without implementing the limitations on
 3 resale required for exempt securities.

4 152. Indeed, Atonomi distributed the Atonomi tokens, which are securities independent
5 from the SAFT, a mere month after the completion of the ICO.

6 153. Defendants did not comply with Rule 144 and lock up the tokens for 12 months as7 required.

8 154. Instead, Defendants unlocked the tokens for trading immediately upon their9 release.

10 155. Defendants repeatedly assured investors that they were seeking exchanges
11 (liquidity venues) to list Atonomi tokens for public trading, even before the tokens were delivered
12 to investors.

13 156. Atonomi tokens have been publicly trading on exchanges as well as in direct investor
14 to investor transactions since July 2018.

15 157. Defendants have not made any effort to lock up these securities.

16 158. Since listing, the price of Atonomi tokens have collapsed by over 99% and any
17 market for them has effectively evaporated. The Atonomi tokens are currently worthless.

18 H. Each Defendant Has Joint And Several Liability For The Atonomi ICO

159. Defendant Atonomi sold the securities in the ICO.

19

20 160. Defendant CENTRI, as the parent company and sole owner of Atonomi, directly
21 controlled Atonomi and its sale of the securities.

161. In messages sent to an investor in the Atonomi ICO on or about February 14, 2019,
Defendant Fragale, who left Atonomi in August, 2018, stated that, "[CENTRI] did [the Atonomi
ICO] to raise money for centri, They've used it to try and find a buyer for centri. But no one will
buy it." *See* Exhibit B. According to Fragale, "CENTRI sees [the Atonomi ICO] as a product sale

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Ard Law Group PLLC

P.O. Box 11633 Bainbridge Island, WA 98110 Phone: (206) 701-9243 so it's revenue and they can use it however they want." *Id.* Fragale further stated that, "centri took
 the ICO funds and used it to pay its bills." *Id.*

162. In messages posted to a public chatroom on or about February 15, 2019, former
Atonomi employee Grant Fjermedal – who appeared with Defendant Emery on the abovereferenced April 17, 2018 live-broadcasted AMA – stated that "[t]he venture capital firm that had
been funding CENTRI for some years was eager to get something back from their investment.
They had continued funding CENTRI as Atonomi was created. ... things soon shifted to CENTRI
soon after the ICO, which is exactly when the new CEO was brought in."

9 163. CENTRI and Atonomi are closely linked beyond merely a corporate parent-child10 relationship.

11 164. CENTRI acknowledged as recently as March 2019 that its officers and directors
12 and Atonomi's officers and directors jointly hosted meetings and sponsored events at Mobile
13 World Congress 2019 in Barcelona, Spain. *See* Exhibit C.

165. Defendant Emery is a founder of Atonomi. See Exhibit D.

15 166. Defendant Emery, as the CEO of Atonomi, was an officer of Atonomi during the
16 advertising and promotion of the ICO, and during Atonomi's sale the securities.

167. Defendant Emery is also a founder of CENTRI. See Exhibit E.

18 168. Defendant Robert Strickland was a director of Atonomi during the advertising and
19 promotion of the ICO, and during Atonomi's sale of the securities. *See* Exhibit F.

20 169. Defendant Strickland has also since been appointed CEO of both Atonomi and
21 CENTRI. See Exhibit F.

170. Defendant CENTRI refers to Atonomi not as a separate company but as "the
blockchain-based product business unit of CENTRI." *See* Exhibit G.

171. Defendant CENTRI also refers to Atonomi as one of its products. See Exhibit H.

172. Defendant Deloach is President and COO of CENTRI. See Exhibit G.

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1 173. Defendant Mackey, as the Chief Technology Officer of Atonomi, was an officer of
 2 Atonomi during the advertising and promotion of the ICO, and during Atonomi's sale of the
 3 securities. *See* Exhibit I.

4

174. Defendant Mackey is also the Chief Technology Officer of CENTRI.

5 175. Defendant Fragale, as the Chief Product Officer of Atonomi and co-founder of
6 Atonomi, was an officer of Atonomi during the advertising and promotion of the ICO, and during
7 Atonomi's sale of the securities.

8 176. Defendant Paris, as the Chief Data Scientist of Atonomi, was an officer of Atonomi
9 during the advertising and promotion of the ICO, and during Atonomi's sale of the securities. *See*10 Exhibit E.

11

177. Defendant Paris is also a founder of CENTRI. See Exhibit E.

12 178. Defendant Wisehart was a director of Atonomi during the advertising and
13 promotion of the ICO, and during Atonomi's sale of the securities. *See* Exhibit J.

14 179. Defendant Wisehart was also a director of CENTRI during the advertising and
15 promotion of the ICO, and during Atonomi's sale of the securities. *See* Exhibit J.

16 180. Defendant Benson was a director of Atonomi during the advertising and promotion
17 of the ICO, and during Atonomi's sale of the securities.

18 181. Defendant Kyle Strickland, as the "community manager" for Atonomi, materially
19 aided each transaction in the securities through his acts in conducting and/ or directing all
20 company communications with investors and prospective investors about the ICO.

21 182. Defendant Salter, through his role as the head of marketing for Atonomi, materially
22 aided in the sale of the securities through, *e.g.*, participating in online Q&As in which he touted the
23 security.

24 183. During the ICO, Defendant Salter was also the head of marketing for CENTRI. See
25 Exhibit E.

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V. CLASS ALLEGATIONS

2 184. Plaintiffs bring this action as a class action pursuant to Rules 23(a) and 23(b)(2) and 3 or (b)(3) of the Federal Rules of Civil Procedure on behalf of the following Class of persons: All persons and entities who, directly or indirectly through an intermediary, 4 participated in the Atonomi ICO. 5 6 185. Excluded from the Class are Defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any Defendant. 7 8 186. Also excluded from the Class are any investors who affirmatively assented to the 9 "final terms of sale" by executing or otherwise affirmatively demonstrating agreement to such terms. 10 11 187. Plaintiffs reserve the right to amend the Class definition if further investigation and/or discovery indicate that the Class definition should be narrowed, expanded, or otherwise 12 modified. 13 14 188. Upon information and belief, there were numerous investors in the Atonomi ICO. The number of individuals and entities who comprise the Class are so numerous that joinder of all 15 such persons is impracticable and the disposition of their claims in a class action, rather than in 16 17 individual actions, will benefit both the parties and the courts. Class members may be identified from records maintained by Defendants, and may be notified of the pendency of this action by mail 18 or electronic mail using the form of notice similar to that customarily used in securities class 19 20 actions.

189. Plaintiffs' claims are typical of the claims of the other members of the Class. All 21 members of the Class have been and/or continue to be similarly affected by Defendants' wrongful 22 conduct as complained of herein, in violation of federal law. Plaintiffs are unaware of any interests 23 that conflict with or are antagonistic to the interests of the Class. 24

190. Plaintiffs will fairly and adequately protect the Class members' interests and have 25 retained counsel competent and experienced in securities class actions and complex litigation. 26

Plaintiffs and their counsel will adequately and vigorously litigate this class action, and Lead
 Plaintiff is aware of his duties and responsibilities to the Class.

3 191. Defendants have acted with respect to the Class in a manner generally applicable to
4 each Class member. Common questions of law and fact exist as to all Class members and
5 predominate over any questions affecting individual Class members. The questions of law and fact
6 common to the Class include, *inter alia*:

- a. Whether the offer of the Atonomi SAFT constituted the sale or offer of "securities;"
- 9
 b. Whether Defendants complied with Rule 506(b) of SEC Regulation D's safe harbor;
 - c. Whether Defendants were required to file a registration statement for the Atonomi ICO;
- d. Whether Defendants sold, directly or indirectly controlled a seller, were partners, officers, directors, or persons who occupy a similar status as to a seller, or were employees who materially aided in sales of the Atonomi securities offering; and
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e. The proper remedies available to Plaintiffs and the Class.

192. A class action is superior to all other available methods for the fair and efficient
adjudication of this controversy since joinder of all Class members is impracticable. Furthermore,
as the injury and/or damages suffered by individual Class members may be relatively small, the
expense and burden of individual litigation makes it impossible as a practical matter for Class
members to individually redress the wrongs done to them. There will be no difficulty in managing
this action as a class action.

193. Defendants have acted on grounds generally applicable to the entire Class with
 respect to the matters complained of herein, thereby making appropriate the relief sought herein
 with respect to the Class as a whole.

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1		VI. CAUSE OF ACTION	
2	194.	Plaintiffs hereby incorporate by reference the allegations contained in the preceding	
3	paragraphs of this Complaint.		
4	195.	This sole Count is brought pursuant to the Washington Securities Act, RCW	
5	21.20.430, on	behalf of the Class, against all defendants.	
6	196.	Defendants sold unregistered securities, directly or indirectly controlled the seller	
7	of unregistered securities, were a partner, officer, director or person who occupies a similar status		
8	or performs a similar function of such seller of unregistered securities, or were the employee of		
9	such a seller o	f unregistered securities who materially aided in the sale.	
10	VII. PRAYER FOR RELIEF		
11	WHEREFORE, Plaintiffs and the Class pray for relief and judgment as follows:		
12	А.	Declaring that this action is properly maintainable as a class action under Rule	
13	23 of the Federal Rules of Civil Procedure, and certifying Plaintiffs as the Class representatives		
14	and their counsel as Counsel for the Class;		
15	В.	Declaring that Defendants offered and sold unregistered securities in violation	
16	of the Washington Securities Act;		
17	C.	Awarding Plaintiffs and the members of the Class the remedy of recovery of the	
18	consideration paid for the security, together with interest at eight percent per annum from the		
19	date of payme	ent against all Defendants, jointly and severally;	
20	D.	Imposing a constructive trust on all monies wrongfully retained by Defendants;	
21	E.	Awarding costs of litigation, including expert witness costs, and reasonable	
22	attorneys' fees, against all Defendants, jointly and severally; and		
23	F.	Such other and further relief as this Court may deem just and proper.	
24		VIII. JURY DEMAND	
25	Plaintiff and the Class hereby demand a trial by jury.		
26			

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June 20, 2019. 1 2 ARD LAW GROUP PLLC 3 Joel B. Ard, WSBA # 40104 4 Ard Law Group PLLC 5 P.O. Box 11633 6 Bainbridge Island, WA 98110 Phone: (206) 701-9243 7 8 AFN LAW PLLC 9 10 By: Angus F. Ni, WSBA # 53828 11 AFN LAW PLLC 12 506 2nd Ave, Suite 1400 Seattle, WA 98104 13 Phone: (646) 543-7294 14 Attorneys For Plaintiff And THE PUTATIVE CLASS 15 16 17 18 19 20 21 22 23 24 25 26

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CERTIFICATE OF SERVICE 1 I certify under penalty of perjury under the laws of the United States of America that 2 on June 20, 2019, I filed the foregoing via the Court's ECF system which will automatically 3 serve all parties. 4 5 6 7 ARD LAW GROUP PLLC 8 9 By: 10 bel B. Ard, WSBA # 40104 11 **Ård Law Group PLLC** P.O. Box 11633 12 Bainbridge Island, WA 98110 13 206.701.9243 Joel@Ard.law 14 Attorneys For Plaintiffs And THE PUTATIVE CLASS 15 16 17 18 19 20 21 22 23 24 25 26

CERTIFICATE OF SERVICE No. 2:19-cv-00615-RAJ-MAT

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Ex.



NOTICE TO RESIDENTS OF THE UNITED STATES

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THIS DOCUMENT HAS NOT BEEN APPROVED BY AN AUTHORIZED PERSON. ANY INVESTMENT TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO (AND ANY INVESTMENT ACTIVITY TO WHICH IT RELATES WILL BE ENGAGED ONLY WITH) RELEVANT PERSONS. THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND PERSONS WHO ARE NOT RELEVANT PERSONS SHOULD NOT TAKE ANY ACTION BASED UPON THIS DOCUMENT AND SHOULD NOT RELY ON IT. IT IS A CONDITION OF YOU RECEIVING AND RETAINING THIS DOCUMENT THAT YOU WARRANT TO THE COMPANY, ITS DIRECTORS, AND ITS OFFICERS THAT YOU ARE A RELEVANT PERSON.

ATONOMI, LLC

<u>SAFT</u>

(Simple Agreement for Future Tokens)

THIS CERTIFIES THAT in exchange for the payment by <u>Chris Hunichen</u> (the "<u>Purchaser</u>") of <u>225</u> ETH (the "<u>Purchase Amount</u>") on or about <u>Feb-22-2018</u>, Atonomi, LLC, a duly formed Delaware limited liability company in good standing (the "<u>Company</u>"), hereby issues to the Purchaser the right to purchase certain units of the Atonomi Token (the "<u>Token(s)</u>"), subject to the terms and conditions set forth below. The Company and Purchaser agree the Purchase Amount has a value of US\$ <u>\$191,250</u> for purposes of Section 3.

1. **Events.**

Token Sale. If a Token Sale occurs before the expiration or termination (a) of this instrument, the Company will deliver to the Purchaser at the Token Sale, according to the procedures specified separately by the Company, a number of Tokens equal to the (i) Purchase Amount divided by the (ii) Price Per Token, as defined below. In connection with the purchase of Tokens pursuant to this Section 1(a), the Purchaser will execute and deliver to the Company all transaction documents related to the Token Sale (the "Token Sale Documents"); provided, that such Token Sale Documents are the same documents to be entered into with the Public Purchasers (the "Final Token Sale Terms"). Such Final Token Sale Terms will supersede the disclosures, terms and conditions previously provided, made available to or discussed with the Purchaser, if any, except that the Price Per Token shall be as set forth herein and the method of payment for the Token by, and procedures for delivery of the Token to, the Purchaser shall be determined by the Company in its sole discretion on or about the time of the Token Sale. The Purchaser acknowledges that the terms of sale of the Tokens, until superseded by the Final Token Sale Terms, are subject to change in the sole and absolute discretion of the Company as and to the extent the Company deems necessary or advisable in connection with the Token Sale. In addition, this Section 1(a) shall not apply if the representations and warranties of Token purchasers set forth in the Token Sale Documents are not true with respect to the Purchaser at the time of the Token Sale or the Purchaser is otherwise not eligible to participate in the Token Sale under the public terms of the Token Sale. In the event the Purchaser is not eligible to participate in the Token Sale under the public terms of the Token Sale, the Company will promptly pay to the Purchaser (as a general unsecured creditor) following the consummation of the Token Sale an amount equal to (1) the Purchase Amount, plus (2) the Purchase Amount multiplied by the difference, if any, between the Price Per Token specified herein and the Price Per Token paid by the Public Purchasers in the Token Sale.

(b) **Bonus Tokens.** In addition to the Tokens specified in Section 1(a), the Company agrees to deliver to the Purchaser a number of bonus tokens equal to (i) [25%] of the

Purchase Amount divided by (ii) the Price Per Token (the "Bonus Tokens") for no additional consideration.

(c) **Dissolution Event.** If there is a Dissolution Event before this instrument expires or terminates, the Company will pay an amount equal to the Purchase Amount, due and payable to the Purchaser immediately prior to, or concurrent with, the consummation of the Dissolution Event. As an obligation to a general unsecured creditor, the Purchase Amount will be paid prior and in preference to any distribution of any of the assets of the Company to holders of outstanding shares of capital by reason of their ownership thereof. If immediately prior to the consummation of the Dissolution Event, the assets of the Company legally available for distribution to the Purchaser and all holders of all other SAFTs (the "Dissolving Purchasers"), as determined in good faith by the Company, are insufficient to permit the payment to the Dissolving Purchasers of their respective Purchase Amounts, then the entire assets of the Company legally available for distribution will be distributed with equal priority and pro rata among the Dissolving Purchasers in proportion to the Purchase Amounts they would otherwise be entitled to receive pursuant to this Section 1(b).

(d) <u>**Termination**</u>. This instrument will expire and terminate (without relieving the Company of any obligations arising from a prior breach of or non-compliance with this instrument) upon either (i) the delivery of Tokens to the Purchaser pursuant to Section 1(a); or (ii) the payment, or setting aside for payment, of amounts due the Purchaser pursuant to Section 1(b).

2. **Definitions.**

"<u>Atonomi Protocol</u>" means the Atonomi protocol and infrastructure under development by Company that is designed to enable, through specified uses of the Token, security for Internet-of-Things devices.

"<u>Disqualified Jurisdiction</u>" means the People's Republic of China, Vietnam and New York State.

"<u>Dissolution Event</u>" means (i) a voluntary termination of operations of the Company; (ii) a general assignment for the benefit of the Company's creditors; or (iii) any other liquidation, dissolution or winding up of the Company (excluding a liquidity event), whether voluntary or involuntary.

"<u>Price Per Token</u>" means the price per Token paid to the Company by the Public Purchasers in ETH. For purposes of the foregoing calculation, if there is more than one price per Token paid by Public Purchasers in a Token Sale, then the applicable price per Token shall be the price per Token paid with respect to a plurality of Tokens sold to Public Purchasers in such Token Sale.

"<u>Public Purchasers</u>" means the purchasers in a Token Sale who do not pay a discounted price to purchase Tokens.

"Token Sale" means a bona fide transaction or series of transactions, pursuant to which the Company, a wholly owned subsidiary of the Company, a Designated Non-profit Foundation (as defined below), or a wholly owned subsidiary of a Designated Non-profit Foundation sells Tokens to the general public in an intentionally publicized product launch of the Tokens. As used herein, a "Designated Non-profit Foundation" is a non-profit foundation (i) that transfers a substantial portion of the Tokens sold in a Token Sale to the Company for no or de minimis consideration or for non-cash or part cash and part non-cash consideration; or (ii) to which the Company transfers the Tokens.

"<u>SAFT</u>" means an instrument containing a future right to Tokens, similar in form and content to this instrument, sold by the Company for the purpose of generating future revenue.

3. <u>**Currency Treatment.</u>** In the event that the Purchase Amount (or any portion thereof) is paid in any currency or property, including digital currencies, other than U.S. dollars, the value of the Purchase Amount (or the applicable portion thereof) shall be deemed to be, at the Company's election (i) the U.S. dollar equivalent of such currency or property as of the date and time this instrument is executed by the Company as published on such exchange or exchanges as shall be determined in the sole discretion of the Company, or (ii) the U.S. dollar value, net of any exchange fees or costs, actually received by the Company upon exchange of such currency or property into U.S. dollars.</u>

4. <u>**Tax Treatment.**</u> Each of the Company and the Purchaser agree to treat this instrument as a forward contract for U.S. federal, state and local income tax purposes, and will not take any position on any tax return, report, statement or other tax document that is inconsistent with such treatment, unless otherwise required by a change in law occurring after the date hereof, a closing agreement with an applicable tax authority or a final non-appealable judgment of a court of competent jurisdiction.

5. <u>Company Representations.</u>

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, and has the power and authority to own, lease and operate its properties and carry on its business as now conducted.

(b) The execution, delivery and performance by the Company of this instrument is within the power of the Company and, other than with respect to the actions to be taken when Tokens are to be delivered to the Purchaser, has been duly authorized by all necessary actions on the part of the Company. This instrument constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity. To the knowledge of the Company, it is not in violation of (i) its current certificate of incorporation or bylaws, (ii) any material statute, rule or regulation applicable to the Company or (iii) any material indenture or contract to which the Company is a party or by which it is bound, where, in

each case, such violation or default, individually, or together with all such violations or defaults, could reasonably be expected to have a material adverse effect on the Company.

(c) To the knowledge of the Company, the performance and consummation of the transactions contemplated by this instrument do not and will not: (i) violate any material judgment, statute, rule or regulation applicable to the Company; (ii) result in the acceleration of any material indenture or contract to which the Company is a party or by which it is bound; or (iii) result in the creation or imposition of any lien upon any property, asset or revenue of the Company or the suspension, forfeiture, or nonrenewal of any material permit, license or authorization applicable to the Company, its business or operations.

(d) To the knowledge of the Company, no consents or approvals are required in connection with the performance of this instrument, other than (i) the Company's corporate approvals and (ii) any qualifications or filings under applicable securities laws.

THE COMPANY MAKES NO WARRANTY WHATSOEVER WITH (e) RESPECT TO THE TOKENS. INCLUDING ANY (i) WARRANTY OF MERCHANTABILITY; (ii) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; WARRANTY OF TITLE; OR (iii) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR EXCEPT AS EXPRESSLY SET FORTH HEREIN, PURCHASER OTHERWISE. ACKNOWLEDGES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY THE COMPANY, OR ANY OTHER PERSON ON THE COMPANY'S BEHALF.

(f) To its knowledge, the Company owns or possesses (or can obtain on commercially reasonable terms) sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, processes and other intellectual property rights necessary for its business as now conducted and as currently proposed to be conducted, without an infringement of the rights of, others. Atonomi Token is not a proprietary trade name of the Company.

6. **Purchaser Representations.**

(a) The Purchaser has full legal capacity, power and authority to execute and deliver this instrument and to perform its obligations hereunder. This instrument constitutes a legal, valid and binding obligation of the Purchaser, enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

(b) The Purchaser is an accredited investor as such term is defined in Rule 501 of Regulation D under the Securities Act. The Purchaser has been advised that this instrument has not been registered under the Securities Act, or any U.S. state securities laws and, therefore, cannot be transferred unless registered under the Securities Act and applicable U.S.

state securities laws or unless an exemption from such registration requirements is available. The Purchaser is purchasing this instrument for its own account for investment, not as a nominee or agent, and not with a view to, or for resale in connection with, the distribution thereof, and the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. The Purchaser has such knowledge and experience in financial and business matters that the Purchaser is capable of evaluating the merits and risks of such investment, is able to incur a complete loss of such investment without impairing the Purchaser's financial condition and is able to bear the economic risk of such investment for an indefinite period of time.

(c) The Purchaser understands that there is no guarantee that Tokens will ultimately be sold in a Token Sale for any specific price per Token, or at all. The Purchaser has such knowledge and experience in financial and business matters that the Purchaser is capable of evaluating the merits and risks of entering into this SAFT and of purchasing Tokens.

(d) The Purchaser represents that it has adequate information on which to base its decision to purchase Tokens through this instrument, notwithstanding the fact that the terms of the Token Sale are not yet final and may undergo changes before they are superseded by the Final Token Sale Terms. The Purchaser acknowledges that such potential changes may be significant and understands that the Final Token Sale Terms will be binding on the Purchaser regardless of the extent, nature or impact of such changes .

(e) The Purchaser's entry into this SAFT complies with applicable laws and regulations in the Purchaser's jurisdiction.

(f) The Purchaser understands that the Purchaser bears sole responsibility for any taxes as a result of the matters and transactions that are the subject of this instrument, and any future acquisition, ownership, use, sale or other disposition of Tokens held by the Purchaser. To the extent permitted by law, the Purchaser agrees to indemnify, defend and hold the Company or any of its affiliates, employees or agents (including developers, auditors, contractors or founders) harmless for any claim, liability, assessment or penalty with respect to any taxes (other than any net income taxes of the Company that result from the delivery of Tokens to the Purchaser pursuant to Section 1(a) of the instrument) associated with or arising from the Purchaser's purchase of Tokens hereunder, or the use or ownership of Tokens.

(g) The Purchaser is not a resident of or domiciled in any Disqualified Jurisdiction or purchasing the Tokens from a location in any Disqualified Jurisdiction.

(h) The Purchaser is not (i) a citizen or resident of a geographic area in which use of cryptographic tokens is prohibited by applicable law, decree, regulation, treaty, or administrative act, (ii) a citizen or resident of, or located in, a geographic area that is subject to U.S. or other applicable sanctions or embargoes, or (iii) an individual, or an individual employed by or associated with an entity, that is identified on the U.S. Department of Commerce's Denied Persons or Entity List, the U.S. Department of Treasury's Specially Designated Nationals or Blocked Persons Lists, or the U.S. Department of State's Debarred Parties List. If the Purchaser's country of residence or other circumstances change such that the above representations are no longer accurate, the Purchaser will immediately notify Company.

(i) The Purchaser will not use the Tokens in connection with any activity that violates applicable laws in any relevant jurisdiction, including, but not limited to, use of the Tokens in connection with transactions that violate U.S. federal or state securities or commodity laws.

(j) The Purchaser understands that the design and structure of the Token, the Atonomi Protocol, and the allocation and distribution of Tokens remain under development and may materially change from their current descriptions in the Company's whitepaper and other materials.

(k) The Purchaser understands there is no guarantee that the distribution of the Tokens will occur at any particular time or at all.

(1) The Purchaser will at all times maintain control of the Purchaser's wallet where any Tokens are stored, and the Purchaser will not share or disclose the account credentials associated with such wallet with any other party. If the Purchaser transfers Tokens into another wallet or vault, the Purchaser will likewise at all times maintain control of such other wallet or vault, and will not share or disclose the account credentials associated with such other wallet or vault with any other party.

7. **Conflicts Waiver.** Each party to this SAFT acknowledges that Perkins Coie, LLP ("<u>Perkins</u>"), counsel to the Company, has in the past performed and is or may now or in the future represent one or more Purchasers or their affiliates in matters unrelated to the transactions contemplated by this SAFT (this "<u>Transaction</u>"), including representation of such Purchasers or their affiliates in matters of a similar nature to this Transaction. The applicable rules of professional conduct require that Perkins inform the parties hereunder of this representation and obtain their consent. Perkins has served as counsel to the Company and has negotiated the terms of this Transaction solely on behalf of the Company. The Company and each Purchaser hereby (i) acknowledge that they have had an opportunity to ask for and have obtained information relevant to such representation; (ii) acknowledge that with respect to this Transaction, Perkins has represented solely the Company, and not any Purchaser or any stockholder, director or employee of the Company or any Purchaser; and (iii) gives its informed consent to Perkins' representation of the Company in this Transaction.

8. <u>Miscellaneous</u>.

(a) This instrument is one of a series of SAFTs designated by the SAFT Series number specified above and issued in a series of multiple closings to certain persons and entities by the Company from time to time (collectively, the "<u>SAFTs</u>"); provided that each SAFT instrument included within the same Series of SAFTs shall be offered and sold on substantively the same terms. Any provision of this instrument, or of any of the SAFTs issued under this SAFT Series, may be amended, waived or modified only upon the written consent of the Company and the holders of this SAFT Series representing a majority in aggregate purchase amount paid to the Company with respect to all outstanding SAFTs of this SAFT Series at the time of such amendment, waiver or modification.

(b) This instrument sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous disclosures, discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

(c) Any notice required or permitted by this instrument will be deemed sufficient when delivered personally or by overnight courier or sent by email to the relevant address listed on the signature page, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address listed on the signature page, as subsequently modified by written notice.

(d) Neither this instrument nor the rights contained herein may be assigned, by operation of law or otherwise, by either party without the prior written consent of the other; *provided, however*, that this instrument and/or the rights contained herein may be assigned without the Company's consent by the Purchaser in whole or in part to any other entity who directly or indirectly, controls, is controlled by or is under common control with the Purchaser, including, without limitation, any general partner, managing member, officer or director of the Purchaser, or any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, the Purchaser; and *provided, further*, that the Company may assign this instrument in whole, without the consent of the Purchaser, (i) in connection with a reincorporation to change the Company's domicile or a transfer by way of continuation of the company to another jurisdiction or (ii) to either a wholly-owned subsidiary of the Company or a Designated Non-profit Foundation that is the seller of the Tokens in the Token Sale.

(e) In the event any one or more of the provisions of this instrument is for any reason held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this instrument operate or would prospectively operate to invalidate this instrument, then and in any such event, such provision(s) only will be deemed null and void and will not affect any other provision of this instrument and the remaining provisions of this instrument will remain operative and in full force and effect and will not be affected, prejudiced, or disturbed thereby.

(f) The Purchaser shall, and shall cause its affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably requested by Company to carry out the provisions of this instrument and give effect to the transactions contemplated by this instrument, including, without limitation, to enable the Company or the transactions contemplated by this instrument to comply with applicable laws. (g) The Company shall not be liable or responsible to the Purchaser, nor be deemed to have defaulted under or breached this instrument, for any failure or delay in fulfilling or performing any term of this instrument when and to the extent such failure or delay is caused by or results from acts beyond the affected party's reasonable control, including, without limitation: (i) acts of God; (ii) flood, fire, earthquake or explosion; (iii) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, or other civil unrest; (iv) change in or application of law; or (v) action by any Governmental Authority.

(h) All rights and obligations hereunder will be governed by the laws of the state of Delaware, without regard to the conflicts of law provisions of such jurisdiction.

(Signature Page Follows)

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[Series 1]

IN WITNESS WHEREOF, the undersigned have caused this instrument to be duly executed and delivered.

THE COMPANY:

ATONOMI, LLC

DocuSigned by:

Vaughan Emery By

Name: Vaughan Emery

Title: CEO

Address:

701 5th Avenue Suite 550

Seattle WA 98104 USA

Email: legal@atonomi.io

THE PURCHASER:

Chris Hunichen

(PRINT NAME)

DocuSigned by: livis Hunidian By: -4F16C6B27F6B433 (Signature)

Name: Chris Hunichen

Title:

Address:

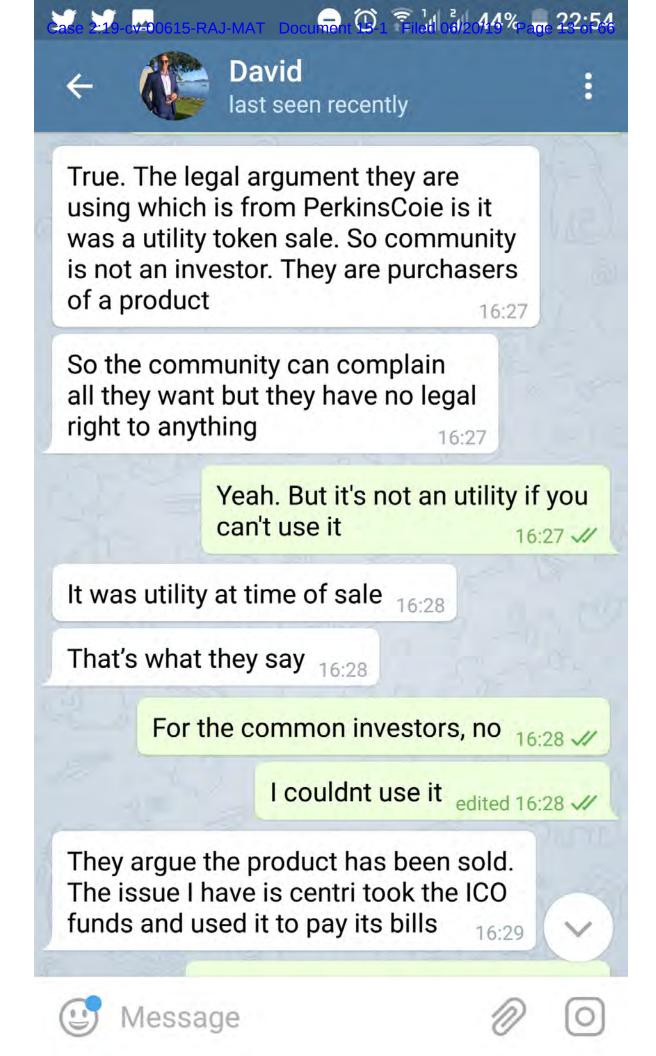
Hermosa Heights Villa 70

Playa Hermosa, CR 50503

Email: bighuni@gmail.com

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Ex.



Iast seen recently Also, I believe that you can't raise money and abandon the project

Document (1) 1 Filet of 2044% and 22:54

16:29 11

That is an unregistered securities sale in my book 16:29

David

David

They argue the product has been sold. Th... Indeed 16:29 V

Yes I totally agree w you 16:29

I'm just stating their argument 16:29

It's totally insane but they are desperate. Vaughan does not have a good history and is a bad guy. He used to refer to community as "a bunch of fucking little bitches"

I believe you. They were disrespectful, their attitude told everything 16:31

Yes. New ceo told us that the companies were combining but







David last seen recently

And the project is completely abandoned 16:34

Yeah I know. Centri sees this as a product sale so it's revenue and they can use it however they want. That's the risk of investing in US ICOs 16:45

David

Yeah I know. Centri sees this as a product...

They didn't promote this. I'm sure people wouldn't wanted to buy an useless product 16:50 V

they did it to raise money for centri. They've used it to try and find a buyer for centri. But no one will buy it. Vaughan lied to me about building blockchain. It was scam from the beginning

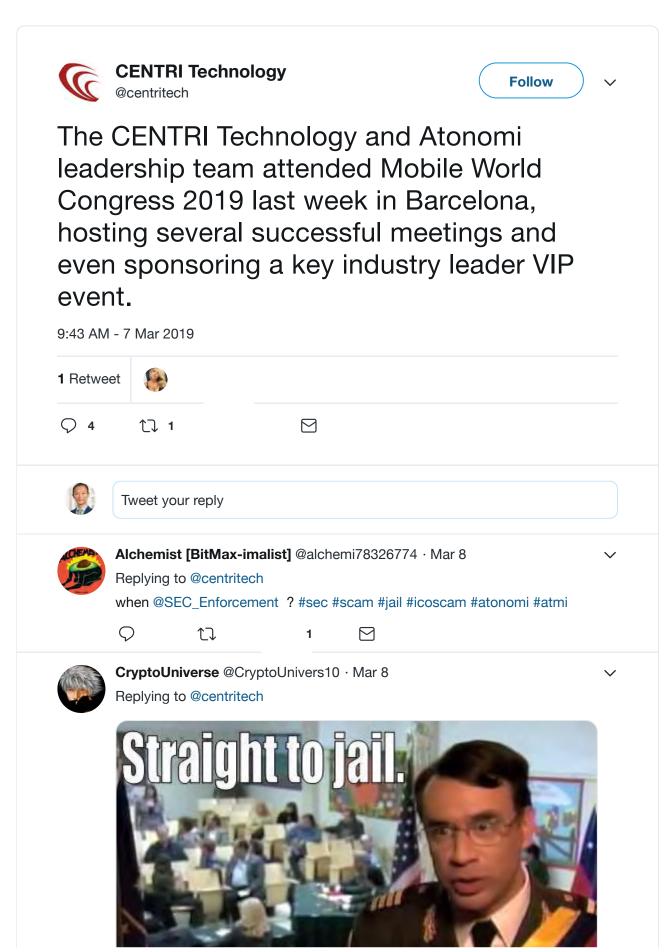
> Yeah, I believe that too now. They had no intention to build something for Atonomi. All their actions say so



17:12 1

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Ex.



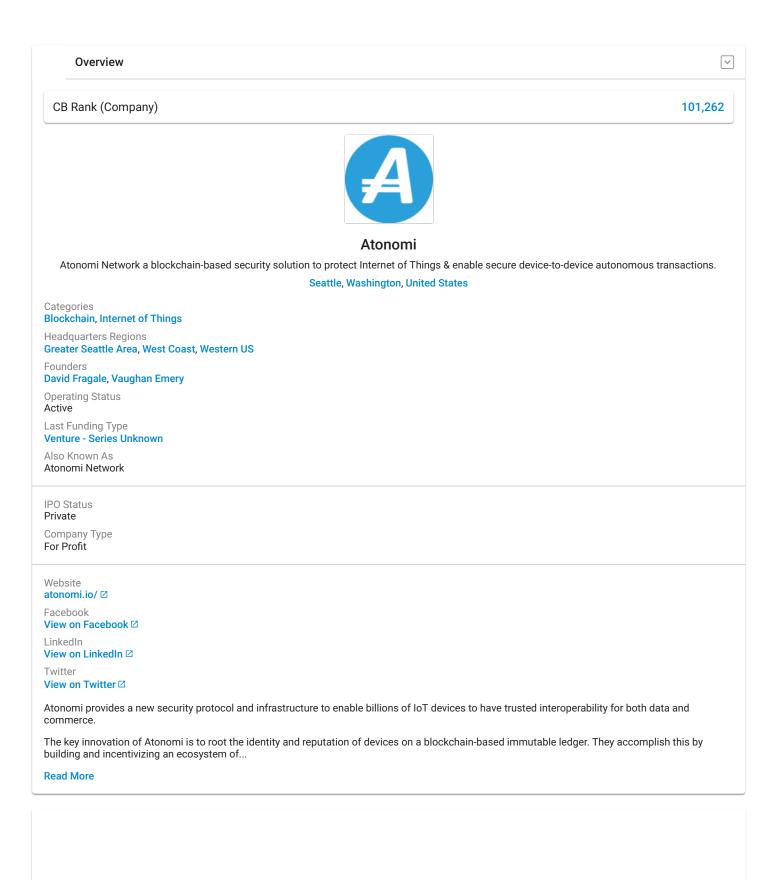
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Ex.

crunchbase

Atonomi



			Documenten15-1		, 10 . ago 1		
			ß				
			UNLOCK CHARTS				
Fu	nding Rounds						~
Numbe	er of Funding Rou	nds					1
Atonomi h	has raised <mark>1</mark> round. T	This was a Venture - Series Unkn	own round raised on Mar	2, 2018.			
wł	hich funding types ra	aised the most money?				pro Sh	ow
Ш Нс	ow much funding ha	s this organization raised over tir	me?			pro Sh	ow
Annou	nced Date 🖂	Transaction Name	Number of Investors	 ✓ Money 	y Raised 🗸	Lead Investors	~
	Mar 2, 2018	Venture Round -		1		_	
		Atonomi					
Inv	/estors						
Numbe	er of Investors						1
	er of Investors	s Capital.					1
Atonomi i	s funded by Kosmos		ls?			pro Sh	
Atonomi is	is funded by Kosmos	ipated in the most funding round					ow
Atonomi is	is funded by Kosmos hich investors partic nvestor Name		$\overline{}$	Funding Round		pro Sh Partners	
Atonomi is	is funded by Kosmos	ipated in the most funding round	$\overline{}$	Funding Round re Round - Atonomi	_		ow
Atonomi is Wh Ir Kosm	is funded by Kosmos hich investors partic nvestor Name	ipated in the most funding round	$\overline{}$		▼		ow
Atonomi is Wh Ir Kosm	is funded by Kosmos hich investors partic nvestor Name nos Capital	ipated in the most funding round	$\overline{}$		↓	Partners	ow
Atonomi is Wh Ir Kosm Re	is funded by Kosmos hich investors partic nvestor Name nos Capital	ipated in the most funding round Image: Constraint of the second seco	$\overline{}$	re Round - Atonomi	_	Partners	ow v
Atonomi is Wh Ir Kosm Re Weste	is funded by Kosmos hich investors partic nvestor Name nos Capital	ipated in the most funding round Image: Constraint of the second seco	$\overline{}$	re Round - Atonomi	_	Partners	
Atonomi i: Wr Ir Kosm Re Weste Wash	is funded by Kosmos hich investors partic nvestor Name nos Capital lated Hubs ern US Blockchain C	ipated in the most funding round Lead Investor Hub Name ompanies	$\overline{}$	re Round - Atonomi	_	Partners	ow ~ ~ 503
Atonomi i: Wr Ir Kosm Re Weste Wash United	is funded by Kosmos hich investors partic nvestor Name nos Capital lated Hubs ern US Blockchain C ington Companies	ipated in the most funding round Lead Investor Hub Name ompanies	$\overline{}$	re Round - Atonomi	_	Partners	ow ~ 503 6,661
Atonomi is Wr Kosm Re Weste Wash United	is funded by Kosmos hich investors partic nvestor Name nos Capital lated Hubs ern US Blockchain C ington Companies d States Internet of	ipated in the most funding round Lead Investor Hub Name ompanies Things Companies	$\overline{}$	re Round - Atonomi	_	Partners	ow

4/16/2019	Case 2:19-cv-00615-RAJ-MAT	Documenten15-11-chFined 06/20/19	Page 21 of 66	288
W	est Coast Internet of Things Companies			952
Pr	ivate Washington Companies			6,503
Un	ited States Blockchain Companies			995

VIEW ALL >

Website Tech Stack by BuiltWith

Active Technology

Atonomi is actively using 10 technologies for its website. These include Viewport Meta, IPhone / Mobile Compatible, and Google Analytics.

UNLOCK WEBSITE TECHNOLOGIES DATA >

Web Traffic by SimilarWeb	~
Traffic	
Atonomi is ranked 3,164,803 among websites globally based on its 7,910 monthly web visitors.	
UNLOCK MORE WEBSITE TRAFFIC DATA >	

Interest Signals by Bombora	\checkmark
Atonomi employees are showing high interest in Getty Images, Work–Life Balance, and Google+.	
UNLOCK MORE INTEREST SIGNALS >	

Competitors & Revenue by Owler

Atonomi has \$1.5M in estimated revenue annually. Atonomi competes with CyberSponse, Swimlane, and Uplevel Security.

UNLOCK MORE COMPETITORS & REVENUE DATA >

Past Team								~
Number of Past Team Members 2								2
Atonomi has 2 past team	members	including Founder and CEO Vaughan E	Emery.					
Person Name	~	Title At Company	~	Start Date	~	ţŦ	End Date	~
Vaughan Emery		Founder and CEO			Jan 2017			Nov 2018
David Fragale		Co-Founder, Chief Product Officer			Oct 2017			Oct 2018

Events

 \checkmark

3

 $\overline{\checkmark}$

 \sim

Number of Events

 Atonomi has participated in 3 events. Recently, they attended Consensus Singapore 2018 on Sep 19, 2018.

 Consensus Singapore 2018

 Sponsor

 Sep 19, 2018

 Distributed 2018

 Sponsor

 Jul 19, 2018

 LendIt Fintech USA 2018

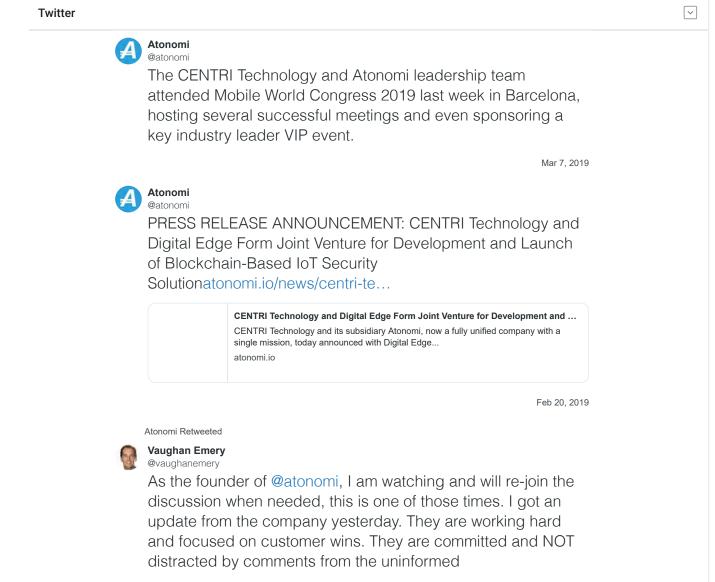
 Sponsor

 Apr 9, 2018

Recent News & Activity

Mar 2, 2018

Atonomi raised an undisclosed amount / Series Unknown from Kosmos Capital



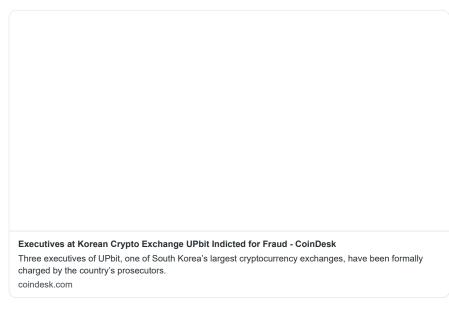
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Holy f'ing hell... \$226 BILLION in fake volume

"executives are alleged to have made fraudulent transactions... using a fake corporate account to make bogus orders worth 254 trillion won (or \$226.2 billion) to inflate trading volume figures" coindesk.com/executives-at-...



Dec 21, 2018



Atonomi @atonomi

Atonomi is thrilled to be working with the City of Chicago on the Chicago West Loop Pilot! Read more about it here: ow.ly/gqfe30n3iyZ #cybersecurity #datasecurity #blockchain #IoT #smartcities @IoTEvolution

Smart Devices, Smart Infrastructure in Chicago's West Loop Can the street tell your car where to park? Can you tell a streetlight to turn on? smartcitysentinel.com

Dec 20, 2018

ATONOMI ON TWITTER >

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Ex.

crunchbase CENTRI

I Funding Amount ank (Company)	\$12.8M 16,039
CENTRI CENTRI provides advanced security for the internet of things. Seattle, Washington, United States	16,039
CENTRI CENTRI provides advanced security for the internet of things. Seattle, Washington, United States	
Seattle, Washington, United States	
Converter Internet of Things	
Security, Internet of Things Iarters Regions • Seattle Area, West Coast, Western US	
d Date	
rs ris, Vaughan Emery	
ng Status	
nding Type e - Series Unknown	
r of Employees	
lame Technology, Inc.	
tus	
ny Type fit	
e entritechnology.com 🛙	
ok n Facebook 🛙	
n 1 LinkedIn 🛙	
n Twitter 🛙	
t Email entritechnology.com	
Number 05-2793	

		Document P15-11nch Parke		
Read More				
		ß		
		UNLOCK CHARTS		
Funding Rounds				
Number of Funding Roun	ds			
Total Funding Amount				\$12.8
CENTRI has raised a total of \$	12.8M in funding over 4 rounds	s. Their latest funding was raised or	Aug 29, 2014 from a Ventu	re - Series Unknown
Which funding types ra	ised the most money?			pro Shot
How much funding has	this organization raised over t	ime?		Pro Sho
- Announced Date	Transaction Name	Number of Investors	Money Raised 🗸	Lead Investors
Aug 29, 2014	Venture Round - CENTRI	1	\$6.3M	-
Nov 28, 2012	Series B - CENTRI	1	\$4.5M	Matthew Pritzker
100 20, 2012				Company
	Series A - CENTRI	1	\$1.7M	Company Alliance of Angels
Oct 18, 2011 May 27, 2010	Venture Round -	1	\$1.7M \$325.4K	Company Alliance of Angels —
Oct 18, 2011				Alliance of Angels
Oct 18, 2011	Venture Round -			Alliance of Angels
Oct 18, 2011 May 27, 2010	Venture Round - CENTRI			Alliance of Angels

CENTRI is funded by 3 investors. LaunchCapital and Matthew Pritzker Company are the most recent investors.

4/16/2019

Which investors participated in the most funding rounds?							now
Investor Name	~	Lead Investor	~	Funding Round	~	Partners	~
LaunchCapital	-			Venture Round - CENTRI	_		
Matthew Pritzker Company	Yes			Series B - CENTRI	_		
Alliance of Angels	Yes			Series A - CENTRI	-		

Related Hubs			~
Hub Name	~	Number of Organizations	~
Private West Coast Companies (Top 10K)		9,9	932
Angel Group Funded Companies		7,1	54
Micro VC Funded Companies (Top 10K)		9,9	979
Washington Companies		6,6	61
United States Internet of Things Companies		2,0)54
Seattle Companies		3,5	510
United States Cyber Security Companies		1,7	793
Private Greater Seattle Area Companies		5,7	769
Private United States Companies (Top 10K)		9,6	666
Western US Cyber Security Companies		6	595

VIEW ALL >

Company Tech Stack by Siftery	~
Active Products	

CENTRI uses 23 technology products and services including Google Analytics, WordPress, and Vimeo.

UNLOCK MORE TECHNOLOGIES DATA >

Website Tech Stack by BuiltWith	\sim
Active Technology	
CENTRI is actively using 11 technologies for its website. These include SPF, Apache, and Microsoft Exchange Online.	

UNLOCK WEBSITE TECHNOLOGIES DATA >

Web Traffic by SimilarWeb	\checkmark
Traffic	
CENTRI is ranked 17,231,149 among websites globally based on its 381 monthly web visitors.	
UNLOCK MORE WEBSITE TRAFFIC DATA >	

Interest Signals by Bombora	~
CENTRI employees are showing high interest in Conflict Management, Cultural Adaptation, and Adult Learning.	
UNLOCK MORE INTEREST SIGNALS >	
Competitors & Revenue by Owler	\checkmark
CENTRI has \$2M in estimated revenue annually. CENTRI competes with DataLocker, Inxee Systems Private Limited, and Exosite.	
UNLOCK MORE COMPETITORS & REVENUE DATA >	
IT Spend by Aberdeen	~
This year, CENTRI is projected to spend \$73.1K on IT.	
UNLOCK MORE IT SPEND & BUDGET DATA >	

Current	Team
---------	------

Number of Current Team Members

CENTRI has 7 current team members, including CTO & Vice President of Engineering Mike Mackey.

Mike Mackey CTO & Vice President of Engineering

Grant Asplund Vice President of Sales & Business Development

Luis Paris Chief Scientist

James Stennent Director of Product Development

James Salter Director of Marketing

Annette Sweet Director of Delivery Services

Hadiya Masieh Director \checkmark

7

⁹ Case 2:19-cv-0	0615-RAJ-MAT	Document [®]	Brunchparted 06/2	20/19 Pa	age 30 of 66	
Board Members and Advis	ors					~
Number of Board Members / A	dvisors					4
NTRI has 4 board members and ac	lvisors, including Rob Stric	kland.				
Rob Strickland Board Member						
Merrill Dean Board Member						
Wayne Wisehart Board Member						
Elon Boms Board Member						
Past Team						~
umber of Past Team Member	S					2
ITRI has 2 past team members, ir	icluding Founder & CEO Va	ughan Emery.				
Person Name	Title At Compa	any 🗸	Start Date	\sim	$\downarrow =$ End Date	~
Vaughan Emery	Founder & CEO			May 2010		Nov 2018
Joe Ferry	VP Global Sales			2013		2015
Events						~
lumber of Events						5
NTRI has participated in 5 events.	Recently, they attended Ar	m TechCon 2018 o	n Oct 16. 2018.			
			·			
Arm TechCon 2018 Exhibitor						
Oct 16, 2018						
Sponsor	velopers Conference 2018					
Jun 5, 2018						

ARM TechCon Exhibitor Oct 24, 2017

	Exhibitor	
	Oct 3, 2017	
	IBM InterConnect 2016 Exhibitor Feb 21, 2016	
Re	cent News & Activity	
Numbe	er of Articles	3
May 17, 2 CENTRI: F	018 PRNewswire — Atonomi Launches Identity Registry Network Beta to Enable Secure Interoperability for the Internet of Things	
Feb 26, 20 CENTRI: F	018 PRNewswire — CENTRI to Demonstrate Complete Chip to Cloud Data Security Following Platform Security Architecture (PSA) Princi	ples
Dec 5, 20 [°] CENTRI: F	17 PRNewswire — CENTRI Technology Launches Atonomi Network to Bring Security and Trust to Internet of Things	
Sep 28, 20 CENTRI: C	017 CENTRI Aims to Eliminate IoT Security Risk for Companies at the IoT Solutions World Congress	
Sep 21, 20 CENTRI: J	017 James Salter – CENTRI Solves Security Challenges for Device Makers	
Sep 5, 20 ⁻ CENTRI: C	17 CENTRI IoTAS Delivers Chip to Cloud IoT Security with STMicroelectronics	
Jul 13, 20 CENTRI: J	17 James Salter — CENTRI Leads IoT Security Discussions at IoT Evolution Expo West 2017	
Jul 7, 201 CENTRI: C	7 CENTRI Technology: Securing the Present and Future of IoT	
Jul 6, 201 CENTRI: V	7 Ninners of the 2017 IoT Security Excellence Award Announced	
Jun 29, 20 CENTRI: E	017 Breakout Vendors: Internet Of Things (IoT) Security	
	VIEW ALL >	



CENTRI Technology @centritech

The CENTRI Technology and Atonomi leadership team attended Mobile World Congress 2019 last week in Barcelona, hosting several successful meetings and even sponsoring a key industry leader VIP event.

Mar 7, 2019



CENTRI Technology @centritech

PRESS RELEASE ANNOUNCEMENT: CENTRI Technology and Digital Edge Form Joint Venture for Development and Launch of Blockchain-Based IoT Security Solution

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visit:centritechnology.com/2019/02/20/pr-...

CENTRI Technology and Digital Edge Form Joint Venture for Development and ... Joint Venture will Leverage Atonomi ATMI Platform; Full Line-Up of Meetings Set for Mobile World Congress with Prospective Enterprise Customers Throughout Americas and EuropeSEATTLE and MEXICO CITY,... centritechnology.com

Feb 20, 2019



CENTRI Technology @centritech

Great news from our subsidiary @atonomi - Atonomi is thrilled to be working with the City of Chicago on the Chicago West Loop Pilot! Read more about it here: ow.ly/gqfe30n3iyZ #cybersecurity #datasecurity #blockchain #IoT #smartcities @IoTEvolution

Smart Devices, Smart Infrastructure in Chicago's West Loop Can the street tell your car where to park? Can you tell a streetlight to turn on? thesmartcityevent.com

Dec 20, 2018



CENTRI Technology @centritech

The CENTRI and Atonomi teams joined the discussion at this year's ITA IoT Summit on moving from pilots to production: ow.ly/qHND30mNac6 @ITAbuzz @atonomi #IoTSummitChi #IoT #IoTsecurity #datasecurity #cybersecurity

The InT industry has always been a challenging one to understand and forecast, but a growing community

Case 2:19-cv-00615-RAJ-MAT Documenting one to understand and indicating one of growing contracting on a growing contracting contrac

Nov 20, 2018

CENTRI ON TWITTER >

speak about the Super Bowl outlook ...

centritechnology.com

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PRESS RELEASE

CENTRI Technology Inc. Appoints Technology and Innovation Leader Robert Strickland as CEO of CENTRI and Atonomi

August 8, 2018

Vaughan Emery, Founder of both **CENTRI** and Atonomi, will focus on strategic initiatives to help build Atonomi into a global leader in device identity and trust

Seattle, Washington – August 8, 2018 –

Atonomi, the blockchain-based arm of leading IoT security provider CENTRI Technology, has announced the appointment of seasoned technology and business leader Robert "Rob" Strickland to the role of CEO for both companies. Strickland brings more than 30 years of experience in driving innovation and growth of top companies, including serving as Chief Technical Officer of Cricket Wireless (Leap) when it was purchased by AT&T in March 2014 and serving as Chief Information Officer of T-Mobile USA. Strickland has also served as the longest member of the Atonomi and CENTRI Board of Directors.

CENTRI Founder and Atonomi Co-founder Vaughan Emery will move into the role of Founder & Evangelist of Atonomi. He will focus on building global partnerships and user communities to drive the vision of Atonomi as the leading provider of device identity and trust.

CEO Robert Strickland said: "It's with great pride that I accept the lead role at **CENTRI** and Atonomi; the latter becoming internationally recognized as a pioneer in the blockchain and IoT space. Under the direction of Vaughan Emery, Atonomi has made tremendous strides toward achieving its mission to reimagine the future of identity and trust for the IoT. I am confident that my decades of experience leading top brands have well equipped me to propel Atonomi to the next level of success and I look forward to driving our product delivery, partnerships, and customer adoption of the Atonomi Network."

Vaughan Emery said: "Now is the right time to ask long-time colleague and the longest-serving member of our Board of Directors to join the executive team and help build the company into a global leader in cybersecurity technologies focused on the IoT. Rob's collective experience makes him the best possible choice to ensure that we remain on this trajectory. It's wonderful for the company that I will now be able to focus my time evagelizing the vision of Atonomi around the world as we become the core infrastructure for the IoT."

Robert Strickland has held a number of high-profile C-level roles in leading technology companies. He recently led technology strategy for numerous companies as CTO, including Neustar and Grupo Televisa (Mexico City). He provides executive leadership as President/COO to Text+, an emerging communications company in the MVNO market. Strickland also advises several other blockchain companies, including Tesspay.io and KeyDok. Strickland previously served as Senior Vice President and CIO at T-Mobile USA from 2006-2010, as well as CIO for Echostar/Dish Network, Senior Vice President and CIO of Continental Cablevision, and CTO for Landmark Communications (former owner

4/19/2019

Case 2 MIGI Eschool Caller Radin Antiolo Dord Imperion Leader Radio Bar 20 / ED of DE TEI Bir AstroBe | Atonomi

of the Weather Channel). He has also held a number of business positions at Apple, Harvard Business School, Stratus Computers, Honeywell International, and several venture capital-backed startups across the United States.

Strickland's most recent startup M37 Ventures, Inc. is a coalition of executive leaders, industry experts, and entrepreneurs who help global organizations understand and harness the power of technology to propel their businesses and brands today and into the future. Under his leadership, Strickland and several expert consultants serviced top industry brands Hortonworks, SAP, Neustar, Sumo Logic, CR-X (Australia), CallGate (S. Korea), WeDo Technologies (Portugal), Tata Consultancy Services, Clickfox, Razorsight, Xavient, Convene, and Lightspeed, among others.

Strickland is a Board Director at Rady Children's Hospital Board of Trustees IT Task Force, **CENTRI** Technology, Text+, and Ocearch. In addition, he serves on several customer advisory boards including Afiniti, Neustar, SAP - Independent Executive Advisory Board, WeFi, and Clickfox.

For more information, visit atonomi.io and centritechnology.com.

###

CEO Robert Strickland is available to interview

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Building Upon a Strong Foundation

Mar 15, 2018 Vaughan Emery

Sir Isaac Newton, the British genius who first proposed the laws of motion in the 1687 release of his threevolume work Principia...

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PRESS RELEASE

CENTRI Technology Inc. Appoints Technology and Innovation Leader Robert Strickland as CEO of **CENTRI** and Atonomi

Aug 8, 2018

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Article: What Will 2018 Bring To the IoT?

Jan 10, 2018 Jeff Dorsch

Original article appears here: http://semiengineering.com/what-will-2018-bring-to-the-iot/...

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FAQS

Atonomi Tokens Update

Jul 12, 2018 The Atonomi Team

The Atonomi tokens (ATMI) from the public sale have all been unlocked and released to cleared buyers. Hello Atonomi Universe, The ATMI...

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FAQS

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FAQs on Atonomi Whitelist Process

May 8, 2018 The Atonomi Team

The Atonomi whitelist is now closed. We are now processing the applications in the order received and working to clear as many people...

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BLOG

The Atonomi whitelist sign-up process is now re-opened

May 3, 2018 Vaughan Emery

The high demand at the time the whitelist sign-up was initially opened caused the systems to become overloaded. Not all requests...

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PRESS RELEASE

Assess-IoT and CENTRI Technology Announce Partnership for Creating and Delivering Secure and Trusted Capabilities for IoT

November 1, 2018 The Atonomi Team

Assess-IoT introduces new CENTRI practice to help businesses design and implement layered security capabilities reaching the most vulnerable aspects of IoT

Seattle, Washington and Houston, Texas – November 1, 2018 –

CENTRI Technology and its subsidiary Atonomi, announced today a partnership with Assess-lot ito deliver a combination of consulting services designed for digital transformation using IoT solutions architected to meet the requirements of the future of IoT. The partnership involves Assess-IoT's consulting service for strategic analysis and business model innovation based on their comprehensive understanding of IoT ecosystems, and the layered security solutions from CENTRI technology designed for network and protocol agnostic security down to the lowest form factor and battery powered devices used for IoT solutions. Such devices are increasingly becoming mainstream elements for companies embracing digital transformation, yet issues around data and communications security, privacy, and governance remain central to enabling systems that can truly be trusted as they become foundational elements of companies' delivery capabilities.

"Assess-IoT is proud to have selected CENTRI as a prime partner to help develop comprehensive IoT security solutions," said Peter Hunt, CEO of Assess-IoT. "We take a 'business first' approach which demands end-to-end alignment, leading system architectures and best-in-class technology implementations using our carefully selected business partnerships."

Assess-IoT and CENTRI Technology are expecting to engage in multiple markets, especially those markets where the IoT landscape includes a wide array of distributed devices. "We have seen the world evolve from products that exist as IoT silos, where the IoT enabled device simply provides a stream of data back to the device manufacturer, to broader scale enterprise architectures where the IoT architecture contemplates thousands of IoT devices contextualizing and leveraging IoT data, enterprise data, and external data to create powerful digital signatures beyond what was possible just a few years ago," said Don DeLoach, President and COO of CENTRI Technology. "Assess-IoT not only has the ability help enterprises effectively leverage IoT on a broader, more powerful basis, but they can deliver the key foundational elements as a part of that architecture, starting with the very security model and services needed to ensure the critical trust required for any enterprise".

About Assess-IoT

Assess-IoT is a consultancy company specializing in helping companies improve their business by developing and deploying IoT based solutions. Our team is built from highly experienced business and technology leaders. For more information visit www.Assess-IoT.com or contact us at 832.945.9286.

About CENTRI Techrology and Atonomi

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CENTRI provides advanced data security for the Internet of Things. Our flexible, software-only products provide IoT professionals, developers and device makers with the means to quickly get to market with purpose-built IoT security, protecting data from creation to consumption. CENTRI enables you to mitigate today's data communication risks in a standards-based network infrastructure with heavyweight industry-standard encryption and compression, packed into a lightweight small footprint ideal for low-power IoT endpoint devices.

Atonomi, the blockchain-based product business unit of CENTRI, is the creator of the universal trust environment for IoT. Atonomi security software validates immutable device identity as well as enables device interoperability and reputation for a connected world. Through the application of blockchain technology, Atonomi aims to empower developers to build IoT solutions on its platform which will enable secure IoT transactions.

For more information, visit centritechnology.com and atonomi.io.

For media inquiries contact: David Schull or Travis Kruse Russo Partners 858-717-2310 212-845-4272 david.schull@russopartnersllc.com travis.kruse@russopartnersllc.com

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PRESS RELEASE

Atonomi Launches Identity Registry Network Beta to Enable Secure Interoperability for the Internet of Things

May 17, 2018

Atonomi Network now available for developers to bring trust and identity to the IoT Seattle, Washington – May 17, 2018 – Atonomi... Read More

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4/19/2019 Cases 25:11 Contract Contract

Jan 12, 2018 Vaughan Emery

Miller, Assistant Professor...

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NEWS COVERAGE

5 Questions on Blockchain with Vaughan Emery of Atonomi

Apr 2, 2018 — Fier, Canner

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By Ben Canner We've written before about blockchain, the new darling of the cybersecurity world. For the uninitiated, decentralized...

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FAQS

AMA Community FAQs August 14 2018

Aug 14, 2018 The Atonomi Team

Tell me a little bit more about Robert Strickland and why the change for a new CEO now? Rob is the CEO of both CENTRI and Atonomi...

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CENTRI Technology Inc. Appoints Technology and Innovation Leader Robert Strickland as CEO of CENTRI and Atonomi

Aug 8, 2018

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Product (https://www.centritechnology.com/product-iot-data-security/)

Resources (https://www.centritechnology.com/resources-why-iot-security/)

Company (https://www.centritechnology.com/company-about-centri/)

CENTRI: Leadership Team

Meet the CENTRI Management Team



ROBERT STRICKLAND

CEO

Technology and innovation leader with more than 30 years of experience in driving growth of top companies.

Driver of CENTRI's vision, strategic direction, planning, and execution. Building the company into a global leader in cybersecurity technologies focused on the Internet of Things.



DON DELOACH

Advisor to the Board of Directors

IoT thought leader, author, and software executive with a proven track record of success managing high growth B2B technology companies. Strong business strategist with extensive experience in global marketplaces and a dedication to serving customers. Passionate about the Internet of Things.



МІКЕ МАСКЕҮ **сто**

Dynamic technology and software engineering leader with a track record of building marketleading security products. Issued



JAMES STENNETT VP of Engineering

Innovative and enthusiastic product development leader with decades of experience driving product vision, strategy, 4/23/2019

Case 2:19-cv-00615-RAJ-MAT Le的oreinmer 能理的 1CE 平阳 他 他 的 20/19 Page 54 of 66

10 patents on CENTRI's platform to date. Noted speaker at IoT industry events. governance and execution. Turns strong technology into commercially viable solutions.



WILLIAM ADAMS Senior Director of Products and Customer Advocacy

Experienced software executive with a lifelong love of programming and physics, brings forward-thinking vision to CENTRI's dynamic product team. Specializing in artificial intelligence and cybersecurity.

PRODUCT	RESOURCES	COMPANY	CONTACT US
iot-data-security/)	echnowbgyiotom/product- security/blog/)	 > About CENTRI chn@hotgpsc/om/rescentretscl about-centri/) Leadership 	PMB 395 Seattle WA 98133 Phone: +1
 Atonomi (https://www.atonor 	 > Press Releases ni.io/(https://www.centrite why-iot- security/press- releases/) 		206.395.2793 nnology.com/company- GET SOCIAL
	 Customer Portal: LOGIN (https://portal.centrite 	about- centri/careers/) echn ology.com/) > Awards	in (https://twitter.com/cen in (https://www.linkedin.c beta/452854)

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> Events (https://www.facebook. (https://www.centritechnergy.com/companyaboutcentri/events/)

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Atonomi 🌐

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About the company

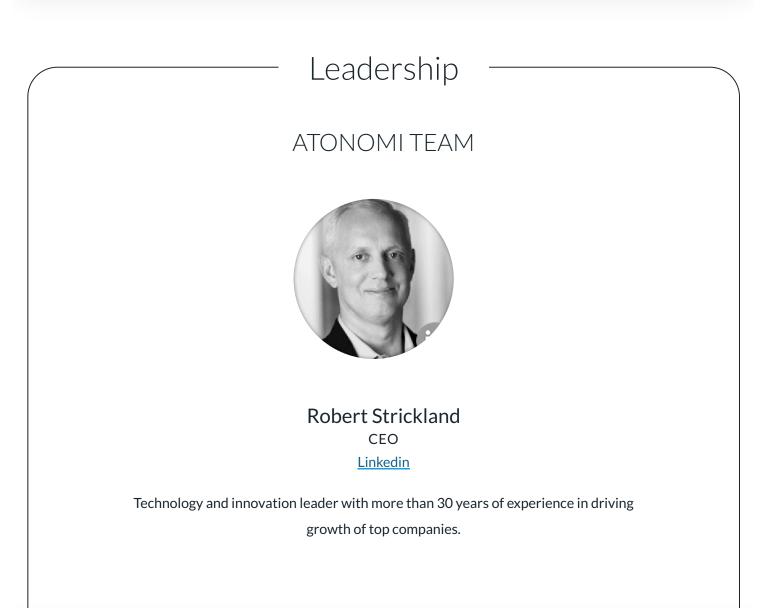
Atonomi is the creator of the universal trust environment for IoT. Atonomi is designed to validate immutable device identity, as well as enable device interoperability and reputation for a connected world. Through the application of blockchain technology, Atonomi aims to make it possible for IoT solutions to build upon it to enable secure IoT transactions. Atonomi's parent company, CENTRI Technology, is a leading provider of IoT data security for resource-constrained devices.

Atonomi 🌐

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Atonomi accomplishes all of this with precision coding that keeps its embedded SDK footprint to a mere 50 Kb for most devices. Because we know that before you can secure IoT devices, you must provide a solution that can *fit onto*—and operate within the severe resource constraints of—IoT devices.

By securing device identity to the blockchain, Atonomi gives developers, manufacturers, and other stakeholders in the vast world of IoT the ability to create a trusted environment in which device identity can be validated, and device operational reputation can be tracked to help protect against compromised devices.



Atonomi

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Mike Mackey CTO Linkedin

Builds market-leading security platforms and leads 15-person engineering team at CENTRI.

ADVISORS



Dr. John Clippinger MIT Media Lab Linkedin

Researcher at MIT; cofounder Token Commons; advisor to Bancor Foundation, Cashaa, and more.



Atonomi 🌐

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Dr. Ulf Lindqvist Senior Technical Director at SRI International Linkedin

Lead at SRI International on cyber security, infrastructure systems, and intrusion

detection.



Dr. David Kravitz Vice President, Crypto Systems Research at DarkMatter Linkedin

Leading expert on cryptography, Blockchain-based identity, and information security.



David Jevans CEO, CipherTrace

Atonomi 🖽

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Rob May Co-Founder & CEO, Talla <u>Linkedin</u>

Leader in Machine Intelligence, Cloud and Brain-Machine interfaces; founder of Talla and BotChain.

Partnerships





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Media

Company Overview of Marchex, Inc.

Snapshot

People

April 16, 2019 1:50 PM ET

Overview Board Members Committees

Executive Profile

M. Wayne Wisehart

Director, Marchex, Inc.

Age 72	Total Calculated Compensation \$132,161	This person is connected to 2 Board Members in 2 organization across 5 different industries.
	As of Fiscal Year 2017	See Board Relationships

Background

Mr. M. Wayne Wisehart has been an Independent Director of Marchex, Inc. since November 17, 2008. He served as Consulting Chief Financial Officer of All Star Directories, Inc., from February 2010 to November 2010. Mr. Wisehart has more than 30 years of experience in all aspects of financial management, having worked in senior financial positions for a number of private and publicly held high-growth companies, with an attractive mix of industry experience in the Internet ...

Read Full Background

Corporate Headquarters

520 Pike Street Seattle, Washington 98101

United States

Phone: 206-331-3300 Fax: 206-331-3695

Board Members Memberships

Director CENTRI Technology Inc.

2008-Present Director

Marchex, Inc.

Education BS University of Missouri-Columbia

Other Affiliations

aQuantive, Inc. EarthLink Holdings Corp. ITC DeltaCom, Inc. Western Wireless Corporation Palmer Wireless, Inc. University of Missouri-Columbia All Star Directories, Inc. CENTRI Technology Inc. Annual Compensation

There is no Annual Compensation data available.

Stocks Options

There is no Stock Options data available.

Total Compensation

Total Annual Cash Compensation	\$32,500
Total Calculated Compensation	\$132,161

Request Profile Update

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