

THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON

## If You Purchased ATMI Tokens Via A Simple Agreement For Future Tokens (SAFT) In 2018, A Class Action May Affect Your Rights

*A court authorized this Notice. This is not a solicitation from a lawyer.*

- A person who purchased tokens via a SAFT has sued Atonomi and others alleging that Atonomi's 2018 sale of ATMI tokens via SAFTs failed to comply with the registration requirements of the Washington State Securities Act ("WSSA").
- The Court has allowed the lawsuit to be a class action on behalf of all people who purchased tokens from Atonomi via a SAFT in 2018, with certain exclusions, as discussed below in Paragraphs 10-13.
- The Court has not decided whether Atonomi or any defendant did anything wrong. There is no money available now, and no guarantee there will be. However, a partial settlement with certain defendants has been preliminarily approved and you should receive a separate notice discussing your rights in that partial settlement. As to the non-settling defendants, your legal rights are affected, and you have a choice to make now:

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT |   |
|---|---|
| <b>Do Nothing</b>                             | <b>Stay in this lawsuit. Await the outcome. Give up certain rights.</b><br>By doing nothing, you keep the possibility of getting money or benefits that may come from a trial or a settlement. But, you give up any rights to sue Atonomi or other defendants separately about the same legal claims in this lawsuit. |
| <b>Ask To Be Excluded</b>                     | <b>Get out of this lawsuit. Get no benefits from it. Keep rights.</b><br>If you ask to be excluded and money or benefits are later awarded, you won't share in those. But, you keep any rights to sue Atonomi or other defendants separately about the same legal claims in this lawsuit.                             |

- Your options are explained in this notice. To ask to be excluded, you must act **before December 7, 2022**.
- Lawyers must prove the claims against Atonomi and other defendants either by motion practice or at a trial; no trial date has been set by the Court yet. If money or benefits are obtained from Atonomi and other defendants, you will be notified about how to ask for a share.
- Any questions? Read on.

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## **BASIC INFORMATION**

### **1. Why did I get this notice?**

Atonomi's records show that you purchased Atonomi tokens (ATMI) via a Simple Agreement for Future tokens (SAFT) in 2018. This notice explains that the Court has allowed, or "certified," a class action lawsuit that may affect you. You have legal rights and options that you may exercise before the Court holds a trial. The trial is to decide whether the claims being made against Atonomi and other defendants, on your behalf, are correct. Judge Richard Jones of the United States District Court for the Western District of Washington is overseeing this class action. The lawsuit is known as *Hunichen v. Atonomi*, No. 2:19-cv-615.

### **2. What is this lawsuit about?**

The lawsuit claims that Atonomi's 2018 sale of ATMI tokens via SAFTs failed to comply with the registration requirements of the Washington State Securities Act ("WSSA"). The plaintiff claims this entitles persons who purchase tokens through Atonomi's SAFTs the right to get back the funds they invested, plus interest, or damages if they sold at a loss. The plaintiff claims that under the WSSA, Atonomi and other entities and individuals involved in the SAFT offering are liable to SAFT investors. The defendants deny any wrongdoing, and the Court has not found that any defendant has committed wrongdoing.

### **3. What is a class action and who is involved?**

In a class action lawsuit, one or more people called the Plaintiff or Class Representative (in this case Chris Hunichen) sues on behalf of other people who have similar claims. The people together are a "Class" or "Class Members." The person who sued—and all the Class Members like them—are called the Plaintiffs. The companies and people they sued are called the Defendants. One court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class.

### **4. Why is this lawsuit a class action?**

The Court decided that this lawsuit can be a class action and move towards a trial because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal courts. Specifically, the Court found that:

- Plaintiff has identified 76 people who bought ATMI tokens via a Series 1 or Series 2 SAFT from Atonomi in 2018 who are not any of the Defendants;
- There are legal questions and facts that are common to the members of the Class;
- Plaintiff's claims are typical of the claims of the rest of the Class;
- Plaintiff and the lawyers representing the Class will fairly and adequately represent the Class' interests;
- The common legal questions and facts are more important than questions that affect only individuals; and
- This class action will be more efficient than having many individual lawsuits.
- The Class includes all persons who purchased ATMI tokens via a Series 1 or Series 2 SAFT with Atonomi, LLC in 2018. Excluded from the Class are Defendants and persons or entities directly affiliated with any Defendant, and persons who affirmatively assented to the Atonomi "Terms of Token Sale."

More information about why the Court is allowing this lawsuit to be a class action is in the Court's Order Certifying the Class, which is available at [www.atonomisecuritiesclass.com](http://www.atonomisecuritiesclass.com).

## **THE CLAIMS IN THE LAWSUIT**

### **5. What does the lawsuit complain about?**

The lawsuit claims that Atonomi's 2018 sale of ATMI tokens via SAFTs failed to comply with the registration requirements of the Washington State Securities Act ("WSSA"). The plaintiff claims this entitles

persons who purchase tokens through Atonomi's SAFTs the right to get back the funds they invested, plus interest, or damages if they sold at a loss. The plaintiff claims that under the WSSA, Atonomi and other entities and individuals involved in the SAFT offering are liable to SAFT investors.

**6. How do Atonomi and other defendants answer?**

The Defendants deny that they did anything wrong and argue that the SAFTs were exempt from registration, among other arguments and defenses. The Defendants' Answers to the Complaint are also available at the website.

**7. Has the Court decided who is right?**

The Court hasn't decided whether Plaintiff or Defendants are correct. By establishing the Class and issuing this Notice, the Court is not suggesting that the Plaintiffs will win or lose this case. The parties have a chance to prove or disprove their claims and/or defenses through motion practice. The Plaintiffs must prove and remaining issues and/or claims at trial; the Court has yet to set a trial date. (See "The Trial" below on page 6.)

**8. What is the Plaintiff asking for?**

The Plaintiff is asking for the refund of the U.S. Dollar value of all ETH tokens transferred to Atonomi as SAFT investments in 2018, plus interest of 8% as set by law, as well as attorneys' fees and costs.

**9. Is there any money available now?**

No money or benefits are available now as a result of the Class being certified because the Court has not yet decided whether Atonomi and other defendants did anything wrong, and the two sides have not settled the case. There is no guarantee that money or benefits ever will be obtained. If they are, you will be notified about how to ask for a share.

However, the Court has preliminarily approved a partial settlement with three defendants, Launch Capital LLC, Steven J. Benson and David Fragale that affects SAFT Investors and public sale investors. The notice administrator will send you a separate Court approved notice with details about what to do in response to preliminary approval of that partial settlement.

**WHO IS IN THE CLASS**

You need to decide whether you are affected by this lawsuit.

**10. Am I part of this Class?**

Judge Jones decided that all persons who purchased ATMI tokens via a Series 1 or Series 2 SAFT with Atonomi, LLC in 2018 are Class Members. He excluded from the Class the Defendants and persons or entities directly affiliated with any Defendant, and persons who affirmatively assented to the Atonomi "Terms of Token Sale."

**11. Which token purchasers are included?**

People who purchased ATMI tokens from Atonomi via a SAFT in 2018 may be part of the Class. People who did not purchase ATMI tokens from Atonomi via a SAFT in 2018, but purchased ATMI tokens in the "public sale" are not part of the Class.

**12. Are any token purchases who purchased ATMI tokens via a SAFT not included in the Class?**

The Defendants and people or entities directly affiliated with them are excluded, as are any people who affirmatively assented to the Atonomi "Terms of Token Sale."

**13. I'm still not sure if I am included.**

If you are still not sure whether you are included, you can get free help at [www.atonomisecuritiesclass.com](http://www.atonomisecuritiesclass.com), or by calling or writing to the lawyers in this case, at the phone number or address listed in question 23.

**YOUR RIGHTS AND OPTIONS**

You have to decide whether to stay in the Class or ask to be excluded before the trial, and you have to decide this now.

**14. What happens if I do nothing at all?**

You don't have to do anything now if you want to keep the possibility of getting money or benefits from this lawsuit. By doing nothing you are staying in the Class. If you stay and the Plaintiffs obtain money or benefits, either as a result of the trial or a settlement, you will be notified about how to apply for a share (or how to ask to be excluded from any settlement). Keep in mind that if you do nothing now, regardless of whether the Plaintiffs win or lose the trial, you will not be able to sue, or continue to sue, Atonomi or other defendants—as part of any other lawsuit—about the same legal claims that are the subject of this lawsuit. You will also be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action.

**15. Why would I ask to be excluded?**

If you already have your own Washington State Securities Act lawsuit against Atonomi or other defendants and want to continue with it, you need to ask to be excluded from the Class. If you exclude or remove yourself from the Class— sometimes called “opting-out” of the Class— you won't get any money or benefits from this lawsuit even if the Plaintiffs win at trial or from any settlement (that may or may not be reached) between the defendants and the Plaintiff. However, you may then be able to sue or continue to sue Atonomi and other defendants for the same or similar claims.

If you exclude yourself, you will not be legally bound by the Court's judgments in this class action. If you start your own lawsuit against Atonomi and other defendants after you exclude yourself, you may hire your own lawyer to appear in Court for you. If you hire your own lawyer for that lawsuit, you are responsible for negotiating payment with your own lawyer. You and/or your lawyer will be responsible for proving your claims. If you do exclude yourself so you can start or continue your own lawsuit against Atonomi and other defendants, you should talk to your own lawyer soon, because *your claims may be subject to a statute of limitations*, meaning that you may face a deadline after which you cannot sue.

**16. How do I ask the Court to exclude me from the Class?**

To ask to be excluded, you must submit an “Exclusion Request” by mail or email. Your letter must state that you want to be excluded from *Hunichen v. Atonomi*. Be sure to include your name and address, and sign the letter. You must mail your Exclusion Request **postmarked by December 7, 2022**, to: Atonomi SecuritiesClass, C/O JND Legal Administration, Exclusion Requests, P.O. Box 91408, Seattle, WA 98111 or email the same information to [exclusions@atonomisecuritiesclass.com](mailto:exclusions@atonomisecuritiesclass.com).

**THE LAWYERS REPRESENTING YOU**

**17. Do I have a lawyer in this case?**

The Court decided that Joel B. Ard of Ard Law Group PLLC, Angus Ni of AFN Law PLLC, and William R. Restis of The Restis Law Firm, P.C. are qualified to represent you and all Class Members. Together the law firms are called “Class Counsel.” They are experienced in handling similar cases. More information about these

law firms, their practices, and their lawyers' experience is available at [www.ard.law](http://www.ard.law); [www.afnlegal.com](http://www.afnlegal.com); and [www.restislaw.com](http://www.restislaw.com).

**18. Should I get my own lawyer?**

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you can, but you will have to negotiate payment with them directly. For example, you can ask them to appear in Court for you if you want someone other than Class Counsel to speak for you.

**19. How will the lawyers be paid?**

If Class Counsel get money or benefits for the Class, they may ask the Court for an award of fees and expenses. You won't have to pay these fees and expenses. If the Court grants Class Counsels' request, the fees and expenses would be either deducted from any money obtained for the Class or paid separately by Atonomi and other defendants.

**THE TRIAL**

The Court has not yet scheduled a trial date to decide who is right in this case.

**20. How and when will the Court decide who is right?**

As long as the case isn't resolved by a settlement or otherwise, such as through motion practice, Class Counsel will have to prove the Plaintiff's claims at a trial. The trial has yet to be scheduled, but it will take place in the United States District Court for the Western District of Washington, 700 Stewart Street, Seattle, WA. During the trial a Jury or the Judge will hear all of the evidence to help them reach a decision about whether the Plaintiff or Defendants are right about the claims in the lawsuit. There is no guarantee that the Plaintiff will win, or that he will get any money for the Class.

**21. Do I have to come to the trial?**

You do not need to attend the trial. Class Counsel will present the case for the Plaintiff and the Class, and Atonomi and other defendants will present the defenses. You or your own lawyer are welcome to come at your own expense.

**22. Will I get money after the trial?**

If the Plaintiff obtains money or benefits as a result of the trial or a settlement, you will be notified about how to participate. We do not know how long this will take.

**GETTING MORE INFORMATION**

**23. Are there more details available?**

Visit the website, [www.atonomisecuritiesclass.com](http://www.atonomisecuritiesclass.com), where you will find the Court's Order Certifying the Class, the Complaint that the Plaintiff submitted, the Defendants' Answer to the Complaint, as well as an Exclusion Request form. You may also speak to one of the Class Counsel by calling 206-701-9243 (Joel Ard), 646-453-7294 (Angus Ni), or 619-270-8383 (William Restis), or by writing to: Joel B. Ard, WSBA # 40104, Ard Law Group PLLC, P.O. Box 11633, Bainbridge Island, WA 98110.