

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

MARK OWEN, Individually and On Behalf  
of All Others Similarly Situated,

Plaintiff,

- v. -

ELASTOS FOUNDATION, RONG CHEN,  
and FENG HAN

Defendants.

No. 1:19-cv-5462-GHW

**SUMMARY NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

IF YOU PURCHASED OR ACQUIRED ELA TOKENS IN DOMESTIC TRANSACTIONS IN THE ELASTOS ICO, THE LOCK-IN PROGRAM, OR THE SECONDARY MARKET BETWEEN JANUARY 1, 2018 AND JULY 27, 2023, AND WERE DAMAGED THEREBY, YOUR RIGHTS MAY BE AFFECTED BY A PROPOSED SETTLEMENT IN A LAWSUIT PENDING IN FEDERAL COURT (THE "LITIGATION"). PLEASE READ CAREFULLY.

YOU ARE HEREBY NOTIFIED that a hearing will be held on ***December 22, 2023, at 3:00 p.m. ET***, before the Honorable Gregory Woods, United States District Judge, at the United States District Court for the Southern District of New York, 500 Pearl Street New York, New York 10007 for the purpose of determining: (1) whether the proposed settlement, as set forth in the Stipulation, consisting of Two Million Dollars (\$2,000,000.00) in cash, should be approved as fair, reasonable, and adequate to the Class Members; (2) whether the proposed plan to distribute the Net Settlement Fund (the "Plan of Allocation") is fair, reasonable, and adequate; (3) whether the applications for attorneys' fees and expenses should be approved; and (4) whether the proposed Judgment should be entered.

The Litigation has been certified as a class action for settlement purposes on behalf of all Persons who purchased or acquired ELA Tokens in domestic transactions in the Elastos ICO, the

Lock-In Program, or the secondary market between January 1, 2018 and [date of stipulation], and were damaged thereby (the “Class Member”). The Litigation asserts claims against Elastos and certain individual defendants under the Securities Act of 1933. A detailed description of the Litigation, including the parties, the claims and defenses, and other important information about your rights and options are in the detailed Notice of Pendency and Proposed Settlement of Class Action (the “Notice”).

At the Settlement Hearing, Settlement Class Counsel will request that the Court award aggregate attorneys’ fees and expenses, the combined value of which will be no more than 30% of the Settlement Amount, or \$600,000. The Claims Administrator currently estimates that it will seek no more than \$175,000 for Notice and Administration Expenses. Class Members are not personally liable for any such fees or expenses. The net recovery for Class Members (also referred to as the Net Settlement Fund) is estimated to be at least \$1,225,000 (\$2,000,000 minus all of the foregoing fees and expenses).

Settlement Class Counsel states that it has litigated this case on behalf of Lead Plaintiffs and the Class for over four years against the Defendants, who have been represented in this Litigation by two separate law firms. On behalf of the Class, Settlement Class Counsel conducted an extensive investigation and drafted a complaint that advanced complex theories of liability concerning application of Securities Act to the evolving digital asset space; defeated Defendants’ motion to dismiss the complaint; resolved numerous discovery disputes; litigated before the Court a discovery dispute involving the withholding of discovery pursuant to the Personal Information Protection Law of the People's Republic of China and disputes involving the withholding of discovery on various privilege and relevance grounds. Settlement Class Counsel also deposed four current or former Elastos personnel and consultants, including Defendant Feng Han, and, at the

time this settlement was reached, was preparing for two additional fact witness depositions, including of Defendant Rong Chen, and two 30(b)(6) depositions. Settlement Class Counsel served written interrogatories on the Defendants and propounded dozens of document requests and subpoenas and obtained and analyzed nearly 2 million pages of documents from the Defendants as well as third parties, including Elastos' attorneys, cryptocurrency exchanges, certain consultants, and other third parties. Additionally, Settlement Class Counsel opposed Defendants' motion to deny certification.

To date, Settlement Class Counsel has not received any payment for their services representing Class Members, nor has it been paid any of its expense.

To obtain the Notice or a copy of the Proof of Claim and Release form ("Proof of Claim and Release"), visit the settlement website at [www.ElastosSecuritiesLitigation.com](http://www.ElastosSecuritiesLitigation.com) or write to *Elastos Securities Litigation*, c/o Epiq Class Action & Claims Solutions, Inc., P.O. Box 2169, Portland, OR 97208-2169.

To get a payment from the Net Settlement Fund you must submit a Proof of Claim and Release by mail *postmarked no later than December 6, 2023*, or electronically *no later than December 6, 2023*, establishing that you are entitled to recovery. Failure to submit your Proof of Claim and Release by December 6, 2023, will subject your claim to possible rejection and may preclude you from receiving any payment from the settlement. ***If you are a Class Member and do not exclude yourself by the deadline, you will be bound by the settlement and any judgment entered in the Litigation, whether or not you submit a Proof of Claim and Release.***

To be excluded from the settlement, you must submit a written request for exclusion in accordance with the instructions in the Notice that is *postmarked or received no later than December 1, 2023*. All Class Members who do not timely exclude themselves will be bound by

the settlement (assuming it is approved by the Court) even if they do not submit a timely Proof of Claim and Release.

To object to any aspect of the settlement, including the Plan of Allocation, or the application for attorneys' fees and expenses, you must submit a written objection in accordance with all the instructions set forth in the Notice that is *received or filed, not simply postmarked, on or before December 1, 2023*. If you object, but also want to be eligible for a payment from the settlement, you must still submit a timely Proof of Claim and Release.

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.**

If you have any questions about the settlement you may contact Class Counsel at the following address:

Bleichmar Fonti & Auld LLP  
Javier Bleichmar  
75 Virginia Road  
White Plains, NY 10603  
Telephone: 888-879-9418

DATED: September 7, 2023

BY ORDER OF THE COURT  
Gregory H. Woods  
United States District Judge  
Southern District of New York