

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

STEPHEN H. SOKOLOWSKI and
CHRISTOPHER H. SOKOLOWSKI,
Plaintiffs,

Electronically Filed

v.

Case No. 4:25-cv-00001-PJC

DIGITAL CURRENCY GROUP, INC.,
BARRY E. SILBERT, and
SOICHIRO "MICHAEL" MORO,
Defendants.

Hon. Phillip J. Caraballo

COMPLAINT

Plaintiffs Stephen H. Sokolowski and Christopher H. Sokolowski
(collectively, "Plaintiffs"), by and through their own capacity as pro se litigants,

hereby file this Complaint against Defendants Digital Currency Group, Inc. ("DCG"), Barry E. Silbert ("Silbert"), and Soichiro "Michael" Moro ("Moro") (collectively, "Defendants"), and allege as follows:

NOTE

Plaintiffs acknowledge that this Complaint is lengthy. However, given the complexity of the alleged scheme, the number of parties involved, the need to plead fraud with particularity under Rule 9(b), and the importance of establishing a factual basis for piercing the corporate veil, Plaintiffs believe that a detailed recitation of the facts is necessary to state a plausible claim for relief and to provide Defendants with fair notice of the grounds upon which the claims rest. Plaintiffs have made every effort to present the facts concisely and to avoid unnecessary repetition.

NATURE OF THE ACTION

1. This action arises from Defendants' deceptive and fraudulent conduct that induced Plaintiffs, who sought a safe, consumer-oriented financial service, to entrust their personally owned cryptocurrency and US Dollars to Genesis Global

Capital, LLC (“Genesis”), a subsidiary of DCG. Through misleading financial statements—specifically, a fraudulent balance sheet (*Exhibit A*)—and assurances presented as stable interest-bearing loan arrangements, Defendants deceived Plaintiffs into maintaining and extending their loans to Genesis.

2. Plaintiffs believed they were engaging in a transaction akin to a Certificate of Deposit or interest-bearing financial service for their household assets. They did not purchase securities or equity; they simply lent their personally owned cryptocurrency and US Dollars to Genesis in exchange for interest, relying on Defendants’ misrepresentations of Genesis’s financial health and stability.

3. Defendants’ conduct violated the Pennsylvania Unfair Trade Practices and Consumer Protection Law (“UTPCPL”), 73 P.S. §§ 201-1 - 201-9.2, causing Plaintiffs substantial monetary loss and denying them the safe, consumer-level financial service they reasonably believed they were receiving.

PARTIES

4. Plaintiff Stephen H. Sokolowski is an adult individual residing at 3178 Carnegie Drive, State College, PA 16803. He personally owned substantial amounts of cryptocurrency and US Dollars and treated these assets as personal

savings. He engaged with Genesis’s platform believing it offered a stable, interest-bearing arrangement suitable for personal, household-level financial management.

5. Plaintiff Christopher H. Sokolowski is an adult individual residing at 3178 Carnegie Drive, State College, PA 16803. He also contributed personally owned cryptocurrency and US Dollars. Christopher relied on Defendants’ representations and believed he was placing his assets into a reliable, consumer-friendly lending environment.

6. Genesis Global Capital, LLC (“Genesis”) is the entity through which Plaintiffs engaged in lending activities. Genesis was a subsidiary of DCG. On January 19, 2023, Genesis filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Southern District of New York (*In re Genesis Global Capital, LLC, No. 23-10063-SHL (Bankr. S.D.N.Y.)* - hereinafter the “Genesis Bankruptcy Action”). Genesis is not named as a defendant in this action.

7. Defendant Digital Currency Group, Inc. (“DCG”) is a Delaware corporation with its principal place of business in Stamford, Connecticut. DCG owned and controlled Genesis and oversaw the financial strategies and disclosures that misled Plaintiffs.

8. Cryptocurrency Management LLC (“CM LLC”) is a nominal Pennsylvania limited liability company formed solely to meet certain Genesis deposit thresholds. Although CM LLC was a signatory to a “Master Loan

Agreement” with Genesis, none of the named Plaintiffs (in their personal capacities) nor any of the named Defendants (Digital Currency Group, Inc., Barry E. Silbert, or Soichiro “Michael” Moro) were parties to that agreement. As fully discussed below, CM LLC’s minimal role was purely clerical: it held no assets other than those beneficially owned by Plaintiffs, had no employees, and maintained no independent business operations.

9. Defendant Barry E. Silbert (“Silbert”) is the Chief Executive Officer of DCG and a resident of New York. As CEO of DCG, Silbert was intimately involved in setting policy for how loans to DCG were classified. Silbert knew or should have known that reporting a \$1.1 billion long-term, unsecured promissory note as a “current asset” would materially misrepresent Genesis’s solvency. Silbert directly signed this fraudulent promissory note.

a. As CEO of DCG, Silbert received substantial financial compensation, the continued receipt of which was directly dependent on DCG and its subsidiary Genesis remaining operational. His actions in signing the fraudulent promissory note and overseeing Genesis's misleading financial disclosures were motivated, in part, by the desire to prevent the imminent collapse of Genesis and subsequent veil-piercing liability for DCG, thereby ensuring the continuation of his lucrative compensation package and maintaining the value of the DCG stock he owned.

10. Defendant Soichiro Michael Moro (“Moro”) was the Chief Executive Officer of Genesis during the time the fraudulent promissory note was signed and served up until his resignation on August 24, 2022. Moro resided in New York. As CEO of Genesis during the relevant period, Moro supervised the preparation and circulation of Genesis’s financial documents. Along with Silbert, Moro directly signed the fraudulent promissory note. Moro approved or knowingly permitted the dissemination of false and misleading balance sheets and failed to stop their dissemination before he resigned. At minimum, he acted with reckless disregard for the truth of the financial classifications that Genesis presented to consumers like Plaintiffs.

a. As CEO of Genesis until his resignation around August 24, 2022, Moro received significant financial compensation—the continuation of which was directly tied to Genesis's solvency. His actions in signing the fraudulent promissory note and approving or knowingly permitting the dissemination of false and misleading balance sheets were undertaken, in part, to prevent Genesis's collapse during his tenure, thus ensuring the continued payment of his lucrative compensation package.

11. Griffin Tiedy (“Tiedy”) was a Genesis employee who communicated the fraudulent balance sheet to Plaintiffs and who resided in Connecticut at the time.

a. Although Plaintiffs currently do not name Tiedy as a defendant, they expressly reserve the right to seek leave of this Court to add him as a defendant if discovery reveals that he had actual knowledge of, or participated in, the fraudulent misclassification or other deceptive practices alleged herein.

b. If evidence demonstrates that Tiedy was aware of internal directives—such as a warning from Genesis’s own CFO not to misrepresent Genesis as “well-capitalized”—yet continued to convey or endorse statements that misled Plaintiffs about Genesis’s financial health, Plaintiffs will seek to hold him personally accountable for his role in the fraud.

12. Ahmed Derar Islim (“Islim”) was the Chief Executive Officer of Genesis following Moro’s resignation. He served as CEO during the time the fraudulent balance sheet was presented to Plaintiffs.

a. Although Plaintiffs currently do not name Islim as a defendant, they expressly reserve the right to seek leave of this Court to add him as a defendant if discovery reveals that he had actual knowledge of, or participated in, the fraudulent misclassification or other deceptive practices alleged herein.

13. Although Plaintiffs do not presently name as defendants other Genesis employees or agents who may have had knowledge of or participated in the

misclassification of the \$1.1 billion promissory note and other deceptive acts alleged herein, Plaintiffs expressly reserve the right to seek leave of this Court to add such individuals as defendants if and when discovery reveals their direct knowledge of, substantial assistance in, or personal participation in the fraudulent misrepresentations or other unlawful conduct described in this Complaint.

JURISDICTION AND VENUE

14. This Court has subject matter jurisdiction under 28 U.S.C. § 1332(a) because the amount in controversy exceeds \$75,000 and there is diversity of citizenship between Plaintiffs (Pennsylvania citizens) and Defendants (New York citizens).

15. Personal jurisdiction is proper because Defendants directed their deceptive acts into Pennsylvania where Plaintiffs reside and suffered harm. Defendants regularly conducted lending operations and communicated their misrepresentations to Plaintiffs in Pennsylvania.

a. The application of Pennsylvania law to the UTPCPL claim is proper because Plaintiffs are Pennsylvania residents who received and relied upon Defendants' misrepresentations while physically present in Pennsylvania and suffered harm in Pennsylvania.

b. Defendants knew Plaintiffs resided in Pennsylvania because Plaintiffs provided their home addresses and identity documents when they registered with Genesis to comply with Know Your Customer requirements and Anti-Money-Laundering checks. Defendants communicated the fraudulent balance sheet directly to Plaintiffs in Pennsylvania and intended to induce Plaintiffs' reliance in Pennsylvania. Defendants' purposeful direction of misrepresentations into Pennsylvania justifies the exercise of personal jurisdiction.

c. The exercise of personal jurisdiction over Defendants Silbert and Moro is proper because they directly benefited financially from the deceptive acts directed into Pennsylvania. Their actions in furtherance of maintaining their lucrative employment—including the signing of the fraudulent promissory note and the dissemination of misleading financial information—were integral to the scheme that harmed Plaintiffs in Pennsylvania. This direct personal benefit derived from activities affecting Pennsylvania establishes sufficient minimum contacts for personal jurisdiction.

d. Defendants intentionally signed the fraudulent promissory note fully aware it would enable and perpetuate a misrepresentation of Genesis's financial condition to its customers, including Pennsylvania residents. In

doing so, Defendants “expressly aimed” their fraudulent conduct at this forum, thereby subjecting themselves to personal jurisdiction under the standard recognized in *Calder v. Jones*, 465 U.S. 783, 789–90 (1984).

16. Plaintiffs maintain that the foregoing allegations establish a prima facie basis for personal jurisdiction over Defendants Silbert and Moro. However, should the Court determine that further factual development is required before ruling on jurisdiction, Plaintiffs request leave to conduct limited discovery targeted at Defendants' internal communications (emails, chat logs), reports, and meeting minutes concerning their knowledge of Genesis's Pennsylvania clientele, their directives regarding financial reporting and client communications, and the intended scope and purpose of the \$1.1 billion promissory note's accounting treatment, as evidence regarding these matters resides exclusively within Defendants' control.

17. Venue is proper in this District under 28 U.S.C. § 1391(b)(2) because a substantial part of the events and omissions giving rise to these claims occurred here. Plaintiffs relied on Defendants' deceptive statements while located in Pennsylvania.

18. Key evidence, such as the computers upon which the communications with the Defendants were conducted, are located in Pennsylvania within this District. Conversely, much of the pertinent evidence related to Genesis's business

operations has already been published to the public on court dockets and is already referenced in this Complaint.

19. Plaintiffs intend to call multiple witnesses who reside in Pennsylvania and can provide firsthand testimony regarding Plaintiffs' reliance on Defendants' misrepresentations and their decision-making process. These witnesses include an individual who personally viewed the fraudulent balance sheet, as well as others who were present for discussions and communications relevant to Plaintiffs' lending decisions.

a. Much of the documentary evidence relevant to Plaintiffs' claims, including Genesis's financial statements, internal communications related to the \$1.1 billion promissory note, and other documents pertinent to the fraudulent misrepresentations, has already been made public through the bankruptcy docket of the *Genesis Bankruptcy Action*.

b. Therefore, it is neither necessary nor convenient for this Court to transfer this case to the Southern District of New York for discovery or to secure evidence, as this evidence is already readily available to all parties regardless of the location of this case.

c. Further evidence of Defendants' fraudulent activity is available on the docket of *The People of the State of New York v. Digital Currency Group, Inc., Barry E. Silbert, and Genesis Global Capital, LLC, Index No.*

452784/2023 (*Sup. Ct. N.Y. Cnty.*), a case pending in the Supreme Court of the State of New York, County of New York. The public documents and information in this case include significant evidence relating to the defendants' deceptive practices, including the misclassification of the \$1.1 billion promissory note that has harmed Plaintiffs. This New York State case also demonstrates that these defendants are already subject to discovery in the state of New York and that no additional benefit would accrue to the defendants by requiring the current case to take place in that same state.

20. The UTPCPL is intended to protect Pennsylvania consumers from deceptive practices directed into the state, and the Commonwealth has a strong interest in ensuring that its residents have convenient access to redress for fraudulent conduct. This Court is well-versed in applying Pennsylvania law, promoting judicial economy.

21. Transfer to the Southern District of New York would not only impose undue hardship on Plaintiffs but effectively deny them access to any meaningful judicial forum.

a. While Defendants maintain their substantial resources, Plaintiffs' limited assets, which Defendants' fraudulent conduct depleted, render litigation in New York impossible. This runs counter to the principles

of equity and would reward Defendants for the very misconduct that has hampered Plaintiffs' financial means.

b. Although Genesis is involved in bankruptcy proceedings in the Southern District of New York, that action is distinct and independent. Plaintiffs assert claims under Pennsylvania's UTPCPL for fraudulent and deceptive conduct that directly caused them harm. These claims are not part of the bankruptcy estate, nor do they seek to recover assets subject to the bankruptcy court's jurisdiction. Plaintiffs' UTPCPL claim is personal to them and seeks damages beyond any distribution they might receive as creditors in the bankruptcy. Moreover, the legal and factual issues in this case differ substantially from those in the bankruptcy proceedings.

22. Plaintiffs acknowledge that an arbitration and forum-selection provision exists in the "Master Loan Agreement" executed only between CM LLC and Genesis Global Capital, LLC. However:

a. Plaintiffs in their individual capacities never signed nor agreed to any arbitration or forum-selection clause with Defendants;

b. Defendants Barry E. Silbert, Soichiro "Michael" Moro, and Digital Currency Group, Inc. likewise are not signatories or third-party beneficiaries to that Master Loan Agreement; and

c. The instant claims under the Pennsylvania Unfair Trade Practices and Consumer Protection Law (“UTPCPL”) do not arise from the performance or breach of that Master Loan Agreement but rather from fraudulent misrepresentations and omissions directed at Plaintiffs personally. Consequently, the arbitration and forum-selection clauses in that separate Master Loan Agreement do not bind or affect the parties to this litigation and cannot bar Plaintiffs’ statutory consumer-protection claims in this Court.

FACTUAL ALLEGATIONS

Plaintiffs' Ownership and Intent

23. Plaintiffs were individuals seeking a safe, stable rate of return for their assets. They believed Defendants were offering a hands-off, interest-based lending service suitable for personal and household asset management, not a high-risk, unregistered security or complex investment scheme involving a web of intercompany loans. They had used and had evaluated competing lending firms in the cryptocurrency industry to earn interest on their assets.

24. Plaintiffs were not professional traders, possessed no financial licenses, and did not trade crypto assets as speculative instruments. Instead, they treated their cryptocurrency holdings as a form of digital savings—akin to keeping money in a high-yield savings account. Plaintiff Stephen Sokolowski had regularly stated and believed that Bitcoin would eventually become a “world currency” and had intended never to sell any of his Bitcoins.

25. Plaintiff Stephen Sokolowski had held his Bitcoin and Ethereum holdings continuously for nearly a decade prior to the Defendants' misrepresentations. For seven of those years, he never even transferred his 2013-purchased Bitcoins out of their original “Bitcoin Core” wallet. During this period, he weathered multiple market downturns and never engaged in trading or profit-taking from his Bitcoin investments.

26. Plaintiffs also saved significant value in US Dollars earned from their employment. During this saving period, Plaintiffs lived a modest lifestyle typical of an average consumer, driving 2005 and 2006 model cars, and residing in an ordinary house in the suburbs of a small city sitting on less than ¼ acre of land. Stephen held a typical “9 to 5” software development job, during which he sometimes worked overtime, and from which he saved over 60% of his income and invested it for early retirement.

27. Plaintiffs managed their cryptocurrency and US Dollar savings from their Pennsylvania home, made lending decisions there, and relied on the fraudulent balance sheet while physically located in Pennsylvania. Plaintiffs conducted all research relating to the renewal of their loans and participated in all calls with Genesis representatives while in Pennsylvania.

28. The assets loaned to Genesis were Plaintiffs’ personal savings, inherited from a deceased family member, put aside from two decades of work, and saved through years of frugality.

a. The Plaintiffs requested periodic withdrawals from Genesis to pay for personal expenditures, including trivial purchases like a set of wall decorations.

b. Before the fraud, the Plaintiffs were in a position to achieve early retirement and specifically avoided spending their assets, which were loaned to Genesis, to have money available for retirement.

c. Plaintiffs actively discussed with Genesis and others the need to leave a small amount of “open term” loans so that immediate expenses could be paid—similar to how money could be withdrawn from a bank account.

d. Records specifically show that the Plaintiffs requested periodic withdrawals from Genesis to pay personal income taxes.

29. Plaintiffs actively avoided, and Plaintiff Stephen Sokolowski publicly recommended the avoidance of, complex and risky financial products like “flash loans,” “distributed exchanges,” “NFTs,” “ICOs,” and “ERC-20 tokens.” They retained nearly all their life savings in large, well-established assets like Bitcoin, Ethereum, US Dollars, and large-cap US stocks, and used Genesis because Genesis represented itself as a simple, safe alternative for ordinary consumers to earn interest on cryptocurrency and US Dollar assets.

30. At times, Plaintiffs entrusted over ninety percent (90%) of their total net worth to Genesis under the reasonable belief that they were placing their personal, household-level savings into a stable, interest-bearing financial service. This extreme concentration of their assets in what they believed to be a safe, consumer-oriented lending environment further underscores both their reliance on

Defendants' assurances and the magnitude of the harm inflicted when those assurances proved to be deceptive.

a. The large dollar value of Plaintiffs' cryptocurrency holdings resulted from long-term appreciation rather than from speculative trading, high-risk investments, or sophisticated financial maneuvers. Plaintiffs maintained two distinct accounts for their household finances: a traditional stock account for standard retirement planning and a separate cryptocurrency holding. At the time of the fraudulent balance sheet's presentation, Plaintiffs relied on a financial advisor and delegated management of their stock portfolios to that advisor.

b. Over time, the cryptocurrency—originally acquired as a personal savings measure—significantly appreciated in value, not due to any complex investment strategy, but simply because Plaintiffs held these assets passively for many years.

c. The sheer magnitude of the loss does not alter the fundamental consumer nature of the transaction. Plaintiffs were not professional traders or hedge fund managers; they were everyday consumers who passively held cryptocurrency as a form of savings and who relied, to their detriment, on Defendants' misrepresentations that this lending arrangement was stable and trustworthy. In this way, the household character of the Plaintiffs and their

intentions remained fundamentally the same even as the nominal value of their assets increased over time

The Nominal LLC Structure

31. Plaintiffs each personally owned their cryptocurrency assets and their US Dollars at all times. They did not transfer title to any LLC or other entity; instead, they used a nominal LLC, CM LLC—a bare bones entity with no independent business purpose—at Defendants’ suggestion to meet Genesis’s minimum deposit thresholds. CM LLC thus was created only weeks before its use with Genesis. Plaintiffs’ intention was to safely lend their personally owned assets and earn modest interest—akin to placing money in a high-yield savings account.

32. Plaintiffs’ assets—both cryptocurrency and US Dollars—were nominally funneled through CM LLC—solely for the purpose of meeting Genesis’s minimum deposit requirement—and then immediately loaned to Genesis. At all times, Plaintiffs remained the true beneficial owners of these assets.

33. At the time of Defendants’ fraud, CM LLC had no business activities or assets other than lending to Genesis. CM LLC had no office, and its registered address was the same as that of both Plaintiffs’. CM LLC had no employees, no website, no E-Mail addresses, and no marketing, and its bland name (“Cryptocurrency Management”) was selected specifically to describe its sole

purpose. CM LLC sold no products or services and produced no revenue.

Currently, CM LLC holds no assets or liabilities.

34. CM LLC never adopted formal governance documents beyond the bare minimum required by state law to register; no formal resolutions, meetings, or minutes exist. CM LLC held no insurance, no permits, and no licenses typical of a functioning business entity.

35. CM LLC never engaged in negotiations, business planning, or due diligence activities separate from the Plaintiffs' personal efforts. Loans passed through CM LLC were often discussed directly between CM LLC's lenders and Genesis. All decisions were personal decisions made by Plaintiffs and simply executed via the nominal LLC structure.

36. Plaintiffs never intended to convey ownership or title of these assets to CM LLC, nor did CM LLC ever obtain beneficial ownership.

37. In nearly all cases, Plaintiffs sent their own cryptocurrencies and withdrew cryptocurrencies directly to their personal wallets without CM LLC even taking possession of the coins.

38. CM LLC's operating agreement contained a clause stating that its owner would never make any profit from CM LLC. CM LLC's tax filings—as an IRS “disregarded entity”—show that CM LLC never earned any profit throughout its lifetime.

39. No reasonable third party interacting with Plaintiffs would have recognized CM LLC as a genuine, standalone business given its complete lack of separate existence, resources, and operational identity.

40. Genesis was aware of and facilitated the use of this LLC structure specifically to allow Plaintiffs to circumvent Genesis's minimum deposit requirement. Genesis understood that, despite the LLC form, it was dealing with individual consumers making personal financial decisions.

Creation of the CM LLC Genesis Account

41. On or about April 13, 2021, Genesis facilitated the creation of an individual account for Plaintiff Stephen Sokolowski, with a Genesis employee instructing him to enter 'Individual' in the signup form's 'title' field (Exhibit F, Telegram Chat Log, 14 April 2021). When Stephen Sokolowski inquired about also depositing funds from Plaintiff Christopher Sokolowski, non-party James Webster, and non-party PROHASHING LLC, Genesis employees informed him that they could not open individual accounts due to Genesis's minimum deposit requirements. Genesis employees then suggested and facilitated the creation of an LLC account, knowing that its purpose was to aggregate funds from these individuals, three of whom were consumers providing personal funds for family or household purposes, to meet those minimums.

42. During the creation of CM LLC's account, on or around May 7, 2021, Genesis requested and received the driver's licenses of Stephen Sokolowski, Christopher Sokolowski, and James Webster, which contained their Pennsylvania addresses. Genesis also requested and received the operating agreement and other documents from non-party PROHASHING LLC.

43. Upon information and belief, Genesis performed KYC/AML checks on all four persons listed in paragraph 40.

44. Genesis understood at all times that it was working with these four persons directly and individually.

45. Genesis requested and received the operating agreement for CM LLC (see "The CM LLC Operating Agreement", next section).

46. Genesis requested and received a "Balance sheet.pdf" document, which was to contain a listing of all assets held by CM LLC. Rather than a typical balance sheet, the *full text* of the document stated:

The company currently has no assets because it is awaiting account approval from Genesis. After approval, the company's balance sheet will be the assets held by Genesis, as the company does not have any borrowers other than Genesis.

47. As part of the onboarding process for CM LLC, Genesis required the completion of a Due Diligence Questionnaire ("DDQ") (Exhibit K). This DDQ, submitted by Plaintiff Stephen Sokolowski on behalf of CM LLC, listed CM LLC's

address and primary location of operations as 3178 Carnegie Drive, State College, PA 16803-1154, the same Pennsylvania residential address as Plaintiffs Stephen and Christopher Sokolowski.

48. Most significantly, the "Description" section of the DDQ submitted to Genesis explicitly stated: "The purpose of this organization is to collect funds and exceed Genesis's minimum loan amounts and to loan funds to Genesis Trading." (Exhibit K). This statement provided direct, contemporaneous notice to Genesis that CM LLC was not an independent operating business, but rather a special purpose vehicle created solely to aggregate funds from individual lenders (including Plaintiffs) to meet Genesis's deposit thresholds.

49. Page 2 of the DDQ identifies Plaintiff Stephen Sokolowski as a "Software Engineer," not a "financial advisor" or "investment manager," supporting the assertion that Genesis knew it was dealing with ordinary consumers.

50. Page 3 of the DDQ states that the "Company will only loan to Genesis, just formed." The same page states "Funds to be sent direct to Genesis, no local storage." It also states that CM LLC is "Not engaged in trading."

51. After CM LLC's account had been approved, Genesis returned Stephen Sokolowski's funds directly to him and then accepted a deposit of the same amount into the CM LLC account within one day. Stephen Sokolowski's individual account was then closed or permanently inactive.

52. A Telegram group chat (Exhibit H) between Genesis employee Hanson Birringer and Plaintiff Stephen Sokolowski took place between April 2021 and December 2022, but most of the relevant discussion regarded the setup of the CM LLC account with Genesis in April 2021.

53. On April 13, 2021, in this chat with Birringer, Birringer provides a refresher of minimum deposit amounts: “Min size is \$500k notional so around 1850 LTC at current prices.”

54. Another Birringer message on April 13, 2021 demonstrates that it was *Genesis*, not Plaintiffs, that suggested dealing with the Plaintiffs (and the other non-party CM LLC lenders) directly: “In the meantime I am going to create a broader group with the rest of the folks on our side, will add you in a moment. We can use it for all future communication (lending, trading, settlement etc).” This referenced Telegram group chat is Exhibit F, discussed in “Telegram Chat Group Between Genesis Executives, Employees, and CM LLC Pass-Through Individuals.” This group was titled “Cryptocurrency Management LLC <-> Genesis,” and contained Plaintiffs and non-party CM passthrough individual James Webster, among others.

55. Later that day (April 13, 2021, Exhibit H), Birringer, representing Genesis, was questioned by Plaintiff Stephen Sokolowski about the LLC process: “what sort of information do you need to start the process of opening a corporate

account?.... can part of that be processed before the state officially creates the entity?"

a. To this message, Birringer responds: "The onboarding process is fairly similar, off the top of my head I can't think of a glaring difference between the two but will probably need to have the entity officially created to begin"

b. This statement by Birringer demonstrates Genesis's willingness to work directly with Mr. Sokolowski and to facilitate the lending arrangement, even before the formal creation of CM LLC. Birringer's statement that he 'can't think of a glaring difference' between onboarding an individual and an entity, and his uncertainty about whether the LLC needed to be officially created before beginning the process ('probably need to have the entity officially created'), underscores Genesis's flexible approach and its focus on securing the lending relationship, rather than strictly adhering to corporate formalities. This reinforces the argument that CM LLC was a mere instrumentality, created at Genesis's suggestion to accommodate its minimum deposit requirements, and that Genesis was primarily concerned with obtaining funds from the individual lenders, regardless of the formal legal structure.

The CM LLC Operating Agreement

56. The CM LLC Operating Agreement (Exhibit G) shows that CM LLC was designed to allow CM LLC's lenders to pass through funds directly to Genesis, similarly to how Genesis accepted pass-through funds from another firm, Gemini (A description of Gemini and its relationship with Genesis is discussed in paragraph 85.)

57. Section 6 of the operating agreement ("Business Purpose") states: "The sole borrower at the time of formation will be Genesis Trading (<https://genesistrading.com>.)"

58. The Operating Agreement contains addendums signed by Plaintiffs, signed by Plaintiff Christopher Sokolowski on behalf of non-party PROHASHING LLC, and signed by non-party James Webster, a highly unusual arrangement for a single-owner LLC that would not have occurred if the LLC were not being created with Genesis's knowledge and direction to circumvent deposit requirements. Genesis was aware that all persons had signed this agreement.

59. Plaintiffs would not have loaned money to Genesis if Genesis had required Plaintiffs to intermingle funds within CM LLC, as Plaintiffs wished to retain title to their assets and were seeking a safe, consumer-oriented platform, not interested in creating an investment firm.

60. Section 10 of the Operating Agreement (“Loans Only”) states that CM LLC “will not purchase stocks or equity.”

61. Section 11 (“Licenses”) specifically states that if SEC licenses would be required to change the way that CM LLC operates, “unanimous agreement” among the lenders would be required, and that the default action was the dissolution of CM LLC, demonstrating that the lenders were not interested in CM LLC being an investment business.

62. Section 12 (“Redemption”) states: “Lenders may call loans at any time, and those calls will be passed on to the borrower. The owner will manage the redemption and return the money to the lender within one day of receiving money from the borrower.”

63. Section 15 (“Minimum Loan Amounts”) states that “Genesis Trading and other borrowers require minimum loan amounts,” a fact that had been told to CM LLC lenders by Genesis employees, showing that everyone on both sides of the CM LLC arrangement was aware of the minimum loan amounts. This section explicitly states that if enough lenders call their loans and Genesis closes the account due to the minimum threshold, “the remaining money will be returned to Cryptocurrency Management lenders.”

64. Section 17 (“Deposits and Withdrawals”) reviews a set of procedures that formalizes the agreement that CM LLC individuals were to deposit funds directly to Genesis, and that Genesis would directly return funds to the individuals.

65. Section 24 (“Profits and Losses”) states that “Cryptocurrency Management LLC is not intended to earn profits for its owner. All interest gained from loans will be distributed to its lenders.” This statement is not consistent with an investment firm or for-profit company.

Telegram Chat Group Between Genesis Executives, Employees, and CM LLC Pass-Through Individuals

66. Genesis employees, including Hanson Birringer, participated in a group Telegram chat directly with CM LLC’s lenders (Exhibit F.) This chat contains overwhelming evidence that Genesis employees communicated directly with the individual lenders.

67. After the fraudulent scheme was revealed, several Genesis employees deleted their Telegram accounts and chats. Upon information and belief, discovery will reveal that Tiedy controlled one of the “Deleted Accounts” referenced in the Telegram chats (Exhibit F.)

68. Genesis employees, among other things, were aware of:

- a. Plaintiffs' passthrough lending to Gemini: "we called the loans from Gemini," (14 May 2021), demonstrating that passthrough lending schemes were not limited to the Plaintiffs and they retained title to their coins at Gemini as well.
- b. Non-party CM lender James Webster's desire for higher rates: "also, James was asking whether you will have new BTC rates this week" (17 May 2021)
- c. Plaintiff Christopher Sokolowski's personal contributions through CM LLC, and his approval of non-party PROHASHING LLC's contributions through CM LLC: "1400.45257401 from PROHASHING, 1975.64186718 from Chris" (20 May 2021)
- d. Plaintiff Stephen Sokolowski's repeated withdrawals to pay personal income taxes: "Hi, I'd like to call the June 1 interest loan of 0.09155949 bitcoins to [BTC Address redacted due to Local Rules] - and only that one loan - to pay taxes" (14 June 2021)
- e. Genesis offering to create a trading account for CM LLC, which was ultimately never used, but which demonstrated that Genesis was willing to offer many different types of products and services to what Genesis knew was a group of individuals. (Multiple days in 2022)

f. Genesis confirming with non-party James Webster that Plaintiff Stephen Sokolowski had not had a security compromise (3 May 2022)

69. On March 29, 2022, Steve Sokolowski told Genesis employee Hanson Birringer that an unrelated investment advisor “may also be willing to form an LLC to get together a lot of money with his investment banking friends.... I told him about you and that you would contact him.” Birringer responded “Sounds good thanks Steve.”

70. On December 1, 2021, non-party CM lender James Webster, who was not the owner or an employee of CM LLC, communicated with Genesis employees to reconcile the individual owners’ interest payments: “Hi, I’m trying to reconcile our spreadsheet compared with the September EOM balance and can’t account for 1000.00 bits. My guess is that the withdrawal on 9/3/2021 has a miner fee that is not being accounted for on our side....” Genesis also answered a similar communication on August 24, 2022: “Hey James, how can we help?”, and again on September 6, 2022 regarding “Accrued Interest.”

71. On December 16, 2021, Plaintiff Steve Sokolowski, in response to a request to change interest rates by Genesis, stated “ok, I need to talk to [Plaintiff Christopher Sokolowski] about whether we would just like to withdrawal,” and a Genesis employee responded “Understood. Please let us know,” showing that

Genesis was fully aware that decisions about withdraws, including those at the time of the fraud, were being made by individual CM LLC lenders.

72. Genesis CFO Matthew Ballensweig, who would later conspire with Defendant Moro (paragraph 107a) in dealing with the Genesis insolvency, and who would urge Moro to be careful that Genesis clients might be “recording” their discussions, was also present in the Telegram chats with CM LLC individual lenders. CFO Ballensweig communicated directly with Plaintiff Stephen Sokolowski, Plaintiff Christopher Sokolowski, and Christopher Sokolowski acting on behalf of non-party PROHASHING LLC, regarding the Litecoin loans that were clearly delineated between parties (see paragraph 68c.)

73. Given Ballensweig's position as Chief Financial Officer of Genesis, his direct participation in the Telegram chat with the individual plaintiffs concerning loan terms (Exhibit F), and his documented collaboration with Defendant Moro in addressing Genesis's financial difficulties, including the fraudulent promissory note (see Paragraph 107a), it is highly improbable that Defendant Ballensweig was unaware of CM LLC's status as a nominal entity and the fact that Genesis was dealing directly with the individual Plaintiffs. Upon information and belief, given the close working relationship between Defendants Moro and Ballensweig, and given their on-record discussions about Genesis's lending status, it is further implausible that Defendant Moro would not have

discussed the nature of the CM LLC arrangement and its implications for Genesis's lending practices and financial reporting with Ballensweig.

74. In a Telegram chat message (Exhibit I) between Hanson Birringer and Plaintiff Stephen Sokolowski on December 5, 2022, Birringer stated “our work telegrams are monitored” when Plaintiff Stephen Sokolowski requested Genesis’s address to serve legal documents. It can be reasonably inferred that these monitored Telegram chats—which likely include the identities of the “Deleted Accounts”—are in the possession of Genesis or the Defendants and will provide additional evidence establishing, among other things, personal jurisdiction, the state of mind of the Defendants, and the egregious nature of the conduct that supports treble damages against all Defendants.

Misrepresentation of Consumer Lending Products

76. Genesis’s marketing and communications with Plaintiffs emphasized safety, stability, and reliability—qualities a reasonable consumer would associate with a conservative financial service, not a complex investment product. Genesis’s marketing made no mention of their actual business practices, which involved a complex web of unsecured intercompany loans between Genesis, DCG, and DCG’s subsidiaries.

77. Genesis provided a simplified Web dashboard to customers (Exhibit J), which displayed current balances and interest rates. The dashboard, which was polished and user-friendly, provided access to account statements detailing accrued and paid interest.

78. In marketing materials and communications directed at individual depositors—and specifically to Plaintiffs located in Pennsylvania—Genesis and DCG repeatedly compared their lending services to stable and secure saving mechanisms. This assertion was not “puffery,” as Defendants never warned Plaintiffs or similarly situated consumers that their funds would be locked into long-term, unsecured promissory notes to its parent company mischaracterized as current assets.

79. Genesis did not merely facilitate isolated private loans but actively marketed itself and operated as a comprehensive financial services platform, akin to a bank or prime brokerage, offering integrated lending, trading, custody, and derivatives services. For example, on July 28, 2022, Genesis solicited Plaintiff Stephen Sokolowski directly via email (Exhibit L, p. 1-2) to use its "Institutional Custody" solution, highlighting features such as segregated cold storage, insurance, integration with other Genesis desks for liquidity and collateral purposes, and its registration with the Financial Conduct Authority. This attempt to cross-sell custody services to an existing lending client, pitching "institutional" services

directly to an individual known to be managing pooled funds, further demonstrates that Genesis was operating as a broad financial institution seeking customer assets, not merely as a facilitator of private loans between sophisticated parties. This manner of operation and marketing brings Genesis's conduct within the scope of consumer protection statutes like the UTPCPL.

80. Genesis routinely communicated with its clients, including Plaintiff Stephen Sokolowski personally, through standard financial notifications typical of consumer banking institutions. For example, on July 1, 2022, Genesis sent an automated email directly to Mr. Sokolowski informing him, "Your Genesis Interest Statement for June 2022 is ready to view and download on Genesis Prime!" (Exhibit L, p. 3). This email provided instructions for accessing the statement via the online portal and directed users with questions to Genesis Operations via Telegram or email, further demonstrating the consumer-oriented presentation of Genesis's services and its pattern of direct communication with individual lenders.

81. Defendants and Genesis provided no meaningful risk disclosures, disclaimers, or warnings that would alert an ordinary consumer to the hidden, long-term, unsecured nature of the critical \$1.1 billion promissory note, thereby ensuring that Plaintiffs remained under the misimpression that Genesis was financially sound. Defendants had a duty to warn the Plaintiffs of the insolvent nature of Genesis's finances and failed to do so.

82. Even if Defendants had provided boilerplate disclaimers warning of general risks or potential volatility, no reasonable disclaimer could excuse or legitimize the deliberate and egregious misrepresentation described herein. The gross misclassification of a \$1.1 billion long-term, unsecured promissory note as a “current asset” transcends ordinary risk or volatility and instead constitutes outright fraud. Such an intentional and material deception cannot be disclaimed away by any purported notice of risk, nor would any reasonable consumer reading such a disclaimer understand it to include a massive, carefully orchestrated financial distortion of this nature.

83. Genesis entered into loans with Plaintiffs using simple one-page term sheets. The term sheets stated the loan amount, the interest rate, and the maturity date. Interest was to be paid at specific times, and the asset loaned was to be returned in full on the maturity date. Plaintiffs expected to receive the originally loaned asset back with interest and to retain that asset after maturity.

a. These loans were not subject to risks involving volatile cryptocurrency exchange rates. They involved loaning a single asset and receiving back that same asset at maturity.

b. Genesis consistently offered relatively modest interest rates—often as low as 1% APY and never exceeding 6% APY—levels comparable to traditional, low-risk savings or deposit products rather than speculative,

high-yield investments. This reasonable rate structure reinforced Plaintiffs' belief that they were participating in a stable, consumer-level financial service rather than a high-risk venture.

c. All Genesis interest rates were fixed at the time of loan origination and not dependent on Genesis's financial performance.

84. Plaintiffs believed that Genesis was engaged in simple, bank-type lending, as Plaintiff Stephen Sokolowski stated during a contemporaneous public video interview with journalist Laura Shin for her "Unchained" podcast conducted in January 2023—the same month that Genesis declared bankruptcy (Transcript in *Exhibit E*)—hereinafter the "Shin Interview":

But you also, should--shouldn't be misleading customers about... just kind of like making loans and then, you know charging a higher interest rate and... pocketing the difference. I mean, that was my understanding of what these companies were doing, and it's pretty clear that that was not their entire or even their primary business model to just borrow money and then lend it out at a higher interest rate.

85. Genesis's claim that it catered solely to sophisticated, institutional clientele is belied by its longstanding, lucrative relationship with Gemini, a well-known cryptocurrency exchange and lending platform. Gemini actively marketed its lending services—which merely passed customer cryptocurrency deposits through to Genesis—to retail customers in Pennsylvania and elsewhere. Both at the

time of the presentation of the fraudulent balance sheet and also at the time of Genesis's bankruptcy, Gemini had in fact become Genesis's largest creditor.

86. Many of these Gemini depositors held relatively small amounts of cryptocurrency—often less than \$100—reflecting typical consumer-level transactions rather than institutional-scale investments. Genesis, aware that Gemini was aggregating these retail deposits from unsophisticated investors who sought safe returns, accepted them without objection, further demonstrating its knowledge that it was effectively receiving funds sourced from ordinary Pennsylvania consumers.

87. Far from catering to large corporations, DCG and Genesis were so dependent upon Gemini's consumer deposits that the companies actively discussed a merger for, among other reason, streamlining operations. (See *The People of the State of New York by Letitia James, Attorney General of the State of New York v. Gemini Trust Company, LLC, Genesis Global Capital, LLC, Genesis Asia Pacific Pte. Ltd., Genesis Global Holdco, LLC, Digital Currency Group, Inc., Soichiro Moro (a.k.a. Michael Moro), and Barry E. Silbert, Index No. 452784/2023 (Sup. Ct. N.Y. Cnty.)* – hereinafter the “NYAG Action.”)

a. In one E-Mail (*NYAG Action, Doc. 45*), Defendant Silbert states: “Gemini is Genesis' largest and most important partner.”

88. Far from Genesis catering exclusively to sophisticated institutional investors, a June 21, 2022 chat message from Defendant Silbert explicitly references retail depositors.

a. In this message (*NYAG Action, Doc. 44*), Silbert stated “the Genesis access to low priced capital via the institutional investor and retail channel like Gemini is going to give us a major competitive advantage.”

b. This direct acknowledgment of the “retail channel like Gemini” as a source of capital directly contradicts the notion that Genesis operated solely as an institutional lender.

c. Defendants Moro and Silbert knew, or should have known, that both Genesis and Gemini served Pennsylvania retail customers.

89. In fact, Plaintiffs had also previously lent their assets to Gemini. Seeking a moderately higher interest rate and believing that direct lending to Genesis would provide the same stable, consumer-oriented arrangement, Plaintiffs moved their cryptocurrency loans from Gemini to a direct relationship with Genesis.

Defendants' Public Representations After the Three Arrows Capital Bankruptcy

90. Genesis had not been financially sound at least since the company took a massive loss on a loan to Three Arrows Capital, a company which declared Chapter 15 bankruptcy in June 2022.

91. After the Three Arrows Capital loss, internal communications in the *NYAG Action* show that Genesis and Defendant Moro urgently needed to restore solvency but were aware of the need to present Genesis's services as akin to stable, consumer-level financial products.

a. In a June 13, 2022 chat message, Defendant Moro stated in regards to raising interest rates to encourage more deposits: "Not too much though as we don't want to seem desperate, but we are willing to pay above where we have been." (*NYAG Action, Doc. 40*).

b. This comment suggests a deliberate strategy to avoid appearing like a high-risk venture, consistent with the Plaintiffs' claim that Genesis sought to attract customers by offering rates that would be perceived as reasonable within a consumer lending context.

92. On June 17, 2022, at 11:40am EDT, Defendant Moro publicly posted on X (then Twitter):

We will actively pursue recovery on any potential residual loss through all means available, however our potential loss is finite and can be netted against our own balance sheet as an organization. We have shed the risk and moved on.... We continue to operate 24/7 and have met every client request. We are extremely confident in our ability to service lenders, borrowers and traders within our service level agreements.

a. In Moro’s misleading statement, the term “finite” actually meant that Genesis was insolvent, but that Genesis had by then taken steps to ensure it would not lose *any more money* due to the Three Arrows Capital disaster.

b. During the *Shin Interview*, Plaintiff Stephen Sokolowski stated:

And that's by the way what I understood their June 17th statement to—to read, that... they took 1.1 billion dollars, you know, and—and in exchange... they took the debt and they paid Genesis 1.1 billion dollars. Maybe I should have read between the lines or something like that in June, you know, but... that's a little dishonest to me that they didn't state exactly what happened at the time, and, you know, use these terms like they ‘netted against their balance sheet’ or whatever the exact quote is.

c. Plaintiffs read Defendant Moro’s statement while at their home in Pennsylvania.

93. On or around June 30, 2022, two weeks after posting the misleading tweets, Defendant Moro, along with Defendant Silbert, willfully and recklessly signed the fraudulent \$1.1 billion promissory note. (*Exhibits B and C.*)

a. This \$1.1 billion so-called “promissory note” was not a typical lending transaction at all and involved no actual transfer of money. The arrangement was highly unusual and did not create any real, immediately accessible capital for Genesis.

b. The fraudulent promissory note was signed with conscious disregard for its impact on unsuspecting consumers in Pennsylvania, including Plaintiffs.

c. Because no funds changed hands, Defendants had essentially papered over the massive hole in Genesis’s finances created by the Three Arrows Capital bankruptcy. The interest rate charged—1.0% per annum—was unreasonable for a typical unsecured loan between distinct commercial entities.

d. The text of the note, among other things, included: “Assignor has substantial doubts that it will be able to recover any additional amounts from TAC [Three Arrows Capital] in respect of the TAC Loans.” As signatories to this contract, Defendants Silbert and Moro were thus well-aware that Genesis was deeply insolvent at the time the contract was signed.

e. During the *Shin Interview*, Plaintiff Stephen Sokolowski also referred to the note's unusual structure:

Well, I also would dispute, I mean, maybe legally you could call it a loan but I would dispute that in common language that we would call what happened there a loan. I mean... when does a loan ever involve not actually giving somebody any money, right? When I take out a loan to buy a house, they give me money and then I use it to buy the house. I don't get some promise that they'll pay for the house in 10 years.

Reliance on the Fraudulent Balance Sheet

94. On September 21, 2022, at 1:49pm EDT, while seated in front of his home computer in Pennsylvania, Plaintiff Stephen Sokolowski received an E-Mail from Tiedy. Attached to the message was a balance sheet purporting to show Genesis's financial condition as stable.

a. Stephen discussed this balance sheet with Tiedy on the same day (September 21, 2022) during a Telegram audio call. The audio call was conducted in the same room, in Pennsylvania, while viewing the fraudulent balance sheet.

b. This document (*Exhibit A*) included \$1.726 billion in the "other assets" row, listed under the "current assets" column. As the fraudulent \$1.1

billion promissory note represented the vast majority of these “current” “other assets,” the balance sheet grossly misrepresented Genesis’s liquidity and solvency.

95. Plaintiff Stephen Sokolowski talked with Tiedy in multiple other instances throughout 2022. During all calls, Stephen was located in Pennsylvania, and all discussions about the content of those calls with Plaintiff Christopher Sokolowski took place in Pennsylvania.

a. At all relevant times, Tiedy failed to disclose the true nature of the promissory note and its inclusion in “other assets” under the “current assets” header in this balance sheet.

96. On September 21, 2022, at 2:07pm EDT, Plaintiff Stephen Sokolowski forwarded this balance sheet by E-mail to Plaintiff Christopher Sokolowski, who personally reviewed it later that afternoon, while also located in the same house in Pennsylvania.

97. Plaintiffs, relying on the deceptive balance sheet provided to them and the overall impression that Genesis’s service was safe and well-capitalized, continued to lend their assets to Genesis rather than withdrawing them.

98. Plaintiffs have obtained a substantially similar fraudulent balance sheet that Genesis presented to another creditor under analogous circumstances (*Exhibit D.*) The second balance sheet lists “Other Assets” of \$1.691 billion under

“Current Assets” and is watermarked with the name of a different Genesis customer. This second balance sheet, which similarly classified a long-term, illiquid promissory note as a “current asset” to create the illusion of solvency, further demonstrates that Genesis’s deception was not confined to Plaintiffs alone.

99. Both balance sheets (*Exhibits A and D*) include a “Weighted Avg” table, which materially understated the average loan duration of Genesis’s loan book. The balance sheet presented to Plaintiffs (*Exhibit A*) stated that the “Total” average term of the loans outstanding due to Genesis was just 35.5 days. This figure was impossible to reconcile with a 10-year promissory note representing roughly one third of Genesis’s reported assets, since including even one such note would necessarily push the weighted average duration well beyond 35.5 days. Accordingly, the Weighted Avg table was willfully or recklessly misleading and furthered Defendants’ overall scheme to conceal the long-term, unsecured nature of the \$1.1 billion promissory note.

a. The consistency of the “Weighted Avg” table with the misclassified “current assets” further suggests that the inclusion of the fraudulent promissory note as a “current asset” was not a clerical error.

100. Under Generally Accepted Accounting Principles (GAAP), a "current asset" is defined as an asset that is expected to be converted into cash, sold, or consumed within one year or the operating cycle of the business, whichever is

longer. This definition is widely understood in the financial and investment communities and informs how investors and creditors interpret a company's balance sheet and assess its liquidity. The classification of an asset as "current" signifies that it is readily available to meet short-term obligations.

101. The classification of the \$1.1 billion unsecured, 10-year promissory note from DCG as a “current asset” was particularly critical to Plaintiffs’ decision-making. Plaintiffs understood the term “current asset” to mean that such an asset could be readily liquidated or converted to cash within one year. Because the decision at hand was whether to call expiring short term loans or renew them with a term of one year, the presence of a substantial “current asset” on Genesis’s balance sheet assured them that the funds necessary to repay their principal at maturity would be available. In other words, the misclassification reinforced Plaintiffs’ belief that Genesis would remain solvent and liquid at the time Plaintiffs’ loans came due, significantly influencing Plaintiffs’ decision to renew and maintain their lending relationship with Genesis.

a. During the *Shin Interview*, Plaintiff Stephen Sokolowski stated:

So my interpretation of that was I was offering Genesis a one-year loan or considering offering them a one-year loan, and since that's a current asset, that means that all of the assets that are listed in that column should be able to be called before my one-year loan is due. And, apparently now it turns out that one of their assets is this 10-year promissory note to Digital Currency Group, and,

if that was listed in the one in the current assets then obviously they do not borrow--I've never heard of them ever borrowing from a customer for 10 years.

102. Plaintiffs also evaluated competing lending platforms and had the opportunity to transfer all assets to competing lending firms at higher rates but chose to sign long-term loans at Genesis for the majority of the assets due to Genesis's perceived safety and stability.

a. During the *Shin Interview*, Plaintiff Stephen Sokolowski stated the following, referring to his research on Ledn, a Genesis competitor:

And, [Ledn] told me that they were doing low-risk trades and uh, they uh,--they wanted to offer a lower rate, but they wouldn't present their balance sheet to me. So, that was the reason we didn't go with Ledn. I kept asking them for that balance sheet, and they wouldn't present it to me.

103. Classifying this long-term, unsecured promissory note as a current asset was a materially false and deceptive misrepresentation. Defendants Silbert and Moro, as high-level executives intimately familiar with Genesis's financial structure, knew or should have known that this misclassification misled anyone viewing the statement into believing Genesis was financially sound.

104. The misclassification of the promissory note on the balance sheet was so material that its absence would have made it immediately clear to a reasonable

person that Genesis faced significant financial instability. Had this critical misrepresentation not existed, it is highly likely that a reasonable person would have declined to lend their assets to Genesis regardless of any other factors evaluated. The importance of this single factor alone would have played a decisive role in that assessment.

105. On September 26, 2022 and September 30, 2022, Plaintiffs renewed their large cryptocurrency term loans with Genesis as a direct result of viewing the fraudulent balance sheet. Plaintiffs also elected to continue existing “open term” US Dollar and USDC loans as a direct result of viewing the balance sheet. But for the presentation of the fraudulent balance sheet, Plaintiffs would not have renewed their loans and would have withdrawn all assets from Genesis.

106. On January 19, 2023, Genesis Global Capital, LLC and two affiliated entities filed for Chapter 11 Bankruptcy protection in the United States Bankruptcy Court for the Southern District of New York (*Genesis Bankruptcy Action*.)

Defendants’ Knowledge and Control

107. From communications disclosed in the *NYAG Action*, it is clear that Defendants willfully and recklessly shaped their external messaging to retain lender confidence despite dire internal realities. One docket entry references a

Microsoft Teams chat, in which both Silbert and Moro were present and chatting (*NYAG Action, Doc. 69.*)

a. One Genesis employee warned, “we need to still be very cautious about what we say and how we say it, we don’t know they’re not recording.” (Matthew Ballensweig, 6/15/2022, 12:55 AM), demonstrating conscious efforts to conceal the truth.

b. In response, Defendant Moro (6/15/2022, 12:55AM) stated “I agree with the caution. Happy to join.”

c. These communications also reference a “Genesis Source of Strength Talking Points” document being used that day, indicating a coordinated effort to present a misleading narrative of stability. As members of the Teams chat, Moro and Silbert had access to this document.

108. Internal communications show that on June 21, 2022, Defendant Silbert privately acknowledged a substantial “hole” in Genesis’s equity due to the collapse of Three Arrows Capital. Silbert described the situation as “super confidential/sensitive stuff.” In these communications, Silbert urged select DCG and Genesis personnel not to share this information “with anybody” outside a “circle of trust.” (*NYAG Action, Doc. 44.*)

a. This directive underscores Silbert’s and DCG’s direct, personal knowledge of Genesis’s precarious financial state and their deliberate efforts

to keep it hidden from lenders like Plaintiffs, further evidencing that their misrepresentations were not the result of oversight or negligence, but part of a calculated scheme to deceive.

109. Internal communications dated June 28, 2022, revealed in the *NYAG Action*, show that DCG and Genesis executives, including Silbert and Moro, explicitly acknowledged a significant “equity hole” in Genesis’s balance sheet. In these internal emails, Silbert directed both DCG *and Genesis* personnel to work “24/7” to fill this shortfall by the June 30 reporting deadline (*NYAG Action, Doc. 91.*)

a. This contemporaneous recognition of a massive deficit, coupled with urgent efforts to mask it, stands in direct contrast to Defendants’ public portrayal of Genesis as financially stable, further supporting Plaintiffs’ allegations that Defendants knowingly misled lenders such as Plaintiffs regarding Genesis’s true financial condition.

110. On August 24, 2022, Defendant Moro posted on X (then Twitter) that he had resigned from his position as CEO of Genesis.

a. At the time of his resignation, Moro failed to notify the public of the fraudulent promissory note that he had signed, and the actions he took at Genesis before resigning were inadequate to prevent fraudulent balance

sheets from continuing to be presented to Genesis customers, including the Plaintiffs.

b. Moro, when he failed disclose the existence of the fraudulent scheme, knew or should have known that the fraudulent note would continue to be used to deceive consumers after his resignation.

111. DCG, through Silbert and Moro, orchestrated and approved the presentation of Genesis's financial condition. Defendants knew these representations were false or acted with reckless disregard for their truth. As sophisticated corporate actors, Silbert, Moro, and DCG understood the nature of this promissory note and its impact on Genesis's balance sheet because they had personally signed it.

a. Defendants were well-aware that Plaintiffs and other consumers would rely on these statements when deciding whether to lend their personal assets.

112. Upon information and belief, Defendants Silbert and Moro authorized, were aware of, or recklessly disregarded the practice of Genesis personnel (such as Defendant Tiedy) disseminating financial statements and balance sheets containing the fraudulent "current asset" classification directly to clients, including Plaintiffs whom Genesis records identified as residing in Pennsylvania.

113. Defendants carefully avoided calling these arrangements “investments,” presumably due to securities law concerns. By doing so, and by actively accepting assets from Genesis customers, they reinforced the consumer perception that these were ordinary, low-risk lending services, not speculative financial instruments.

114. Plaintiffs relied on Defendants’ misrepresentations in Pennsylvania, where they managed their household financial affairs. Defendants’ actions directly impacted Plaintiffs’ personal financial decisions and caused them to forgo safer options.

DCG’s Involvement in Genesis Operations

115. Defendant Silbert, as CEO of DCG, exerted substantial control over the entire DCG enterprise, including Genesis. His pervasive influence was further underscored by his significant personal financial stake in DCG. As reported by The Wall Street Journal on November 1, 2021, Silbert owned approximately 40% of DCG's stock, making him the largest single shareholder. (See <https://www.wsj.com/articles/digital-currency-group-wants-to-be-cryptos-standard-oil-11635764400?st=7a338mejs53urq0>, last accessed Dec. 25, 2024). This substantial ownership interest not only solidified his control but also directly

aligned his personal financial fortunes with the performance of DCG and its subsidiaries.

116. Multiple records of internal communications in evidence discovered during the NYAG action demonstrate that Defendant Silbert was frequently present and actively involved in Genesis's internal affairs, acting on behalf of Defendant DCG.

a. In a June 13, 2022 chat message (*NYAG Action, Doc. 40*),

Silbert stated directly:

were scheduling a DCG board update and strategy call for tomorrow late morning, pencilling in 11 am. I'd like for moro, derar, matt and arianna to join. okay?

This direct instruction from DCG's CEO to Genesis's top personnel to attend a DCG board strategy session underscores the integrated nature of the two entities and DCG's direct command over Genesis's leadership.

117. Before this June 14, 2022 board meeting, Silbert E-Mailed DCG and Genesis executives, as well as outside investors (*NYAG Action, Doc. 42*). He discussed several options to address the crisis at Genesis.

a. The E-Mail outlines three options DCG was considering for Genesis: "Support Genesis," "Jettison the Genesis Capital business," and a

"Shock & Awe" plan. (*Id.*). Notably, Silbert states that the Genesis team was unaware of the "Jettison" and "Shock & Awe" options (*Id.*):

IMPORTANT: we have not discussed either the Jettison or Shock & Awe plans with the Genesis team. As far as they know, we're on path #1 [support Genesis] right now, so please do not bring up the alternative paths on the call today with the team.

(emphasis in original).

This statement further demonstrates that DCG was directing Genesis's future without even the knowledge or input of Genesis's own management, not only actively planning to attend Genesis management's calls but also intending to hide critical information during those calls (*Id.*).

b. The "Shock & Awe" plan, in particular, provides compelling evidence of DCG's disregard for corporate separateness and its intent to use Genesis as a tool to benefit DCG and its shareholders. The plan involved Silbert becoming CEO of Genesis, DCG contributing the assets and investing team of another subsidiary (DCGI) to Genesis, and pursuing a public offering of Genesis in 2023 (*Id.*). This plan constituted a blatant commingling of assets and personnel between DCG and its subsidiaries, treating them as interchangeable parts of a single enterprise.

c. Silbert's email explicitly acknowledges the potential risks of the "Shock & Awe" plan to DCGI's assets, stating that "as 100% owner of Genesis, DCG shareholders are no worse off, other than DCGI's assets being put under Genesis creditors." (*Id.*). This demonstrates that DCG was willing to potentially sacrifice the assets of one subsidiary to prop up another, prioritizing the interests of DCG shareholders over the potential harm to Genesis's creditors. Furthermore, the plan's stated goal of providing "a clear path to liquidity for DCG shareholders via Genesis IPO" reveals that DCG was motivated, at least in part, by a desire to create a liquidity event for its own shareholders even while Genesis was facing a severe financial crisis. (*Id.*). The fact that this plan was being considered without the knowledge of Genesis' management further underscores DCG's utter disregard for Genesis' separate corporate existence.

d. The "Support Genesis" plan contemplated DCG "look[ing] to secure our own additional liquidity to keep in reserve should we decide later to contribute capital to stabilize the Genesis balance sheet" while Genesis "makes every effort to bolster its own balance sheet." (*Id.*) This underscores that DCG would use its own resources—potentially commingling or redirecting funds to shore up Genesis's finances if necessary—even as DCG simultaneously coordinated "with counsel to ensure best defenses against

veil piercing.” (*Id.*) The notion that DCG might inject its own liquidity to keep Genesis afloat, yet remain free from liability to Genesis’s creditors, confirms DCG’s recognition that its direct operational involvement blurred corporate boundaries and exposed DCG to potential veil-piercing claims.

118. Internal communications disclosed in the *NYAG Action Doc. 91* show that Defendant Moro also later discussed “Option 3,” which in the *Doc. 91* communication involved “some combination of assets from DCG parent and DCGI placed into GGC, again for equity purposes only.”

119. In another internal communication (*NYAG Action, Doc. 44*), Silbert indicated that Foundry—another DCG subsidiary—would be brought in to address Genesis’s lending issues. By stating that a new hire would “help Foundry assess their loan book and address any issues,” Silbert effectively enlisted yet another affiliated DCG entity in the effort to stabilize Genesis. This further demonstrates Defendants’ practice of treating DCG subsidiaries as interchangeable resources rather than maintaining their supposed independence and corporate boundaries.

a. This June 21, 2022 chat message also highlights the importance DCG placed on maintaining “trust and confidence in Genesis” to prevent “money leaving Genesis and depleting our liquidity.” (*Id.*) Silbert stated that DCG and Genesis had around \$2 billion in liquidity but were in “bunker mode” to “withstand whatever negative event comes next.” (*Id.*) This shows

that DCG was acutely aware of the risk of a liquidity crisis at Genesis and was actively working to prevent it, not for the benefit of Genesis's creditors, but, as referenced by the use of the word "our," to protect DCG's own liquidity.

b. Silbert's chat message also reveals DCG's intention to intervene directly in Genesis's affairs to address the "hole" in its equity. He stated that (Id.):

DCGI [another DCG subsidiary] will play a role here in addressing the hole, hopefully temporarily, through the pledge of assets or if need be, the downstream of certain/all assets until prices recover.

120. DCG's active involvement in managing the perception of Genesis's stability is further evidenced in a June 15, 2022 chat involving Silbert and other DCG and Genesis personnel. (*NYAG Action, Doc. 43*). Amidst reports of increasing withdrawal requests from lenders," Silbert inquired, "is there anything we/DCG can do to further install confidence in genesis?" (Id.).

a. A Genesis employee reported speaking with representatives from other DCG portfolio companies, stating, "so if they triangulate with you, you can just reaffirm our position etc." (Id.) This indicates that DCG was actively managing communications across its network of subsidiaries to present a unified front of strength and stability, even as concerns about

Genesis's financial health were mounting. Silbert himself stated in the same email chain, "we need to continue to perpetuate that of course," referring to Genesis' reputation as the "blue chip" in the market. (Id.).

121. All of the previously mentioned E-Mails and chats in the *NYAG Action* discussing the Genesis situation were sent to or from multiple high-ranking DCG employees in addition to Defendant Silbert, demonstrating that the involvement of DCG in Genesis's operations went well beyond the CEO's involvement (*NYAG Action, Doc. 42, 43, 44*).

122. On October 20, 2022, Defendant Silbert sent an E-Mail to DCG and Genesis employees discussing a potential merger involving DCG, Genesis, and Gemini (*NYAG Action, Doc. 45*). In this message, Silbert stated:

Good lunch with Cameron [Winklevoss, CEO of Gemini]. Tldr: he is intrigued about the idea of a closer partnership between Genesis/Gemini/DCG, including a potential merger of the companies. I put him on clear notice that the path we're on right now could lead to a Genesis bankruptcy, which would put Gemini's deposits (and therefore, Gemini's business) at significant risk. He took that part surprisingly well and appreciates we need to work together to mitigate that risk.

a. This E-Mail not only indicates that DCG and Genesis were acting as a unified economic entity rather than separate corporate forms but also shows DCG's active consideration of a merger with Gemini—a company that had taken on consumer deposits from Pennsylvania residents.

This further evidences Defendants' willingness to restructure assets and relationships to conceal financial instability and minimize accountability all at the expense of consumers like Plaintiffs.

b. Further demonstrating the intertwined nature of DCG and Genesis, and DCG's direct financial interest in concealing Genesis's true condition, Silbert admitted in this E-Mail that "I can't raise money at DCG if there is a Genesis bankruptcy risk" (*Id.*). This statement reveals that DCG's ability to attract investors and secure funding was inextricably linked to Genesis's financial stability or at least the appearance of stability. This underscores that Genesis's continued operation, even while insolvent, was not merely a matter of independent business judgment but was crucial to DCG's own financial viability.

123. Later in the same email (*NYAG Action, Doc. 45*), Silbert mentioned informing Cameron Winklevoss, CEO of Gemini, that DCG could further entangle the companies' operations by moving DCG subsidiary Grayscale's cryptocurrency assets over to Gemini's custody. Such a move, he noted, would make Gemini "the largest custody provider in the world," again demonstrating the Defendants' willingness to restructure and merge operations across multiple supposedly independent entities.

124. Far from being a "hands-off" holding company, Defendant DCG directly controlled and actively participated in Genesis's financial affairs throughout Genesis's existence. Genesis and DCG engaged in complex lending and investment strategies, particularly those involving the Grayscale Bitcoin Investment Trust ("GBTC"), managed by DCG subsidiary Grayscale.

125. On November 10, 2022, as further detailed in the *NYAG Action, Doc. 52*, DCG, Genesis, and Gemini entered into an agreement whereby 30,905,782 shares of GBTC (valued at \$296 million at the time) were pledged as collateral to secure Gemini's consumer loans to Genesis. This maneuver further demonstrates the Defendants' willingness to disregard corporate distinctions and commingle assets across affiliated entities.

a. Public filings with the United States Securities and Exchange Commission reveal the significant scale of this collateralization. Grayscale Investments, LLC's Form 10-Q for the quarter ending September 30, 2022, indicates that DCG, Genesis, Grayscale, and CoinDesk, Inc. (another DCG subsidiary at the time) collectively held 66,972,889 shares of GBTC. Therefore, the shares pledged as collateral in the November 10, 2022 agreement constituted nearly half of the entire DCG conglomerate's reported GBTC holdings.

126. At the time Genesis collapsed, the debt that DCG had incurred with Genesis, in addition to the fraudulent \$1.1 billion promissory note, demonstrates that DCG and Genesis were operating together as a single financial entity. Based on media reports from November 2022, the debt owed by DCG to Genesis represented up to 50% of Genesis's total assets.

127. After Genesis halted withdrawals in November 2022, DCG and Silbert actively sought investors to provide money to save Genesis from collapse, demonstrating their full awareness and direct control of Genesis's financial condition and their attempts to directly fix the financial situation at the company they were intimately involved with. Their failure to adequately manage Genesis's assets, combined with their fraudulent activity, demonstrates that DCG and Silbert operated with reckless disregard for the safety of lenders, including the Plaintiffs.

a. On November 21, 2022, *Bloomberg* reported:

For the investors who were approached for the \$1 billion lifeline being sought, some began to balk at the interconnectedness between the entities, according to people familiar with the discussions. Another simply said it was a matter of how these types of firms do business.

(Available at <https://www.bloomberg.com/news/articles/2022-11-21/crypto-firm-genesis-warns-of-possible-bankruptcy-without-funding>, last visited Dec. 25, 2024.)

b. Significantly, the size of the “lifeline” DCG and Silbert desperately sought—\$1 billion—was strikingly similar to the \$1.1 billion value of the fraudulent promissory note, strongly suggesting that these efforts were a direct attempt months later to remedy the same financial shortfall concealed by the misclassification of that note.

c. Furthermore, the fact that DCG and Silbert actively sought but ultimately failed to obtain a \$1 billion lifeline for Genesis from independent investors is highly telling. This inability to attract external funding suggests that the risk associated with lending to Genesis was deemed too high by those outside the DCG ecosystem. Consequently, DCG’s own extension of credit via the promissory note appears less like a sound financial decision and more like a necessary action driven by the recognition that their own fortunes were inseparable from those of Genesis.

128. Upon information and belief, in or around November 2022, Defendant Silbert or another DCG representative circulated a letter to DCG shareholders discussing a “liability” to Genesis of \$575 million—in addition to the \$1.1 billion promissory note. According to a publicly reported copy of that letter, DCG had borrowed this money from Genesis “to fund investment opportunities and to repurchase DCG stock from non-employee shareholders.” (*X post by @Tier10K, Nov. 21, 2022, available at <https://x.com/tier10k/status/1595140018871631873>*,

last visited Dec. 25, 2024.) Plaintiffs do not presently possess a copy of this shareholder letter but intend to obtain it in discovery. This new information—if confirmed—further evidences that DCG was using Genesis as a source of capital for its own benefit, consistent with Plaintiffs’ allegation that DCG and Genesis functioned as a single commingled entity rather than independent corporate entities.

a. The existence of multiple additional loans from Genesis to DCG and DCG subsidiaries totaling to this \$575 million debt is corroborated by loan term sheets contained in the *Genesis Bankruptcy Action, Doc. 680, Exhibits 1-7 and Doc. 681, Exhibits 1-5.*

129. The sheer volume of intercompany transactions, including DCG’s multi-billion-dollar loans to Genesis, coupled with DCG’s hands-on orchestration of Genesis’s strategic decisions, demonstrates that DCG, Genesis, and other DCG subsidiaries operated as a single financial enterprise rather than as truly distinct entities. Internal communications reveal that DCG executives—often without Genesis’s own management’s knowledge—unilaterally considered drastic measures such as “jettisoning” Genesis, merging its assets with other DCG affiliates, or orchestrating a so-called “Shock & Awe” plan to restructure Genesis and pursue an eventual IPO. DCG’s own recognition of the need to “ensure best defenses against veil piercing” underscores that it was aware its direct oversight,

asset-shuffling, and disregard for corporate formalities could subject DCG to liability for Genesis’s debts. By exercising near-complete control over Genesis’s finances, planning massive inter-subsidary transfers, and misclassifying a \$1.1 billion promissory note as a current asset, DCG effectively intermingled funds and personnel across multiple business lines. This lack of corporate separateness deliberately exposed Plaintiffs—who believed they were dealing with a solvent, standalone lender—to undisclosed risks, thereby causing them injury under the UTPCPL when Genesis ultimately collapsed.

Damages to Plaintiffs and Mitigation Efforts

130. When Genesis declared bankruptcy, the Plaintiffs’ personally owned cryptocurrency assets and US Dollars—which would have been withdrawn or placed elsewhere but for Defendants’ deception—were lost or severely diminished.

131. On January 27, 2023, in the Genesis Global Capital, LLC Chapter 11 bankruptcy proceeding pending in the United States Bankruptcy Court for the Southern District of New York, CM LLC sold its bankruptcy claim against Genesis to Jefferies Leveraged Credit Products LLC (See *Genesis Bankruptcy Action*, Doc. 50.)

132. This quickly agreed fire sale was directed by Plaintiffs to save their own personal finances after Genesis declared bankruptcy. Plaintiffs, at the time, owed around \$300,000 to Wells Fargo Bank, N.A, collateralized against their long-term stock portfolio, as a result of a June 2, 2022 home purchase. Plaintiffs had expected to be able to withdraw US Dollars from Genesis to repay that loan. Without the ability to withdrawal US Dollars from Genesis, the Plaintiffs were exposed to potential liquidation of their long-term stock holdings at a low valuation. When the bankruptcy sale payment was received from Jefferies, Plaintiffs immediately paid off the Wells Fargo loan.

133. While the sale partially mitigated the losses associated with the Genesis bankruptcy distribution, it did not compensate Plaintiffs for the full measure of their harm as the sale price was substantially lower than the value of their assets—and even on the low end of the market value of the bankruptcy claims at the time.

134. The sale of CM LLC's bankruptcy claim did not and could not release or waive Plaintiffs' individual claims under UTPCPL or their right to recover damages directly from Defendants for the alleged deceptive practices that induced Plaintiffs to maintain their loans with Genesis. Even if it could, no assignment document relevant to this case mentions statutory, consumer protection, or UTPCPL claims.

135. Plaintiffs never intended to engage in a high-stakes investment gamble. They trusted Defendants' false assurances of solvency and stable returns, a trust based on the fraudulent balance sheet and consumer-oriented marketing approach. This trust and reliance caused Plaintiffs substantial financial harm.

COUNT I

VIOLATION OF PENNSYLVANIA UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION LAW (UTPCPL)

73 P.S. §§ 201-1 - 201-9.2 (Against DCG and All Defendants as Participants)

136. Plaintiffs incorporate by reference all preceding paragraphs.

137. Defendants engaged in unfair or deceptive acts by misrepresenting Genesis's financial health. Through the fraudulent balance sheet and related communications, Defendants created the impression that Genesis offered a stable, safe environment for personal asset lending, akin to a consumer savings product.

138. Plaintiffs justifiably relied on these misrepresentations. Even a prudent, good-faith consumer would understand a "current asset" as something readily convertible to cash within one year. Defendants never provided any contrary definition or disclaimer. Absent such disclosure, Plaintiffs reasonably believed that the listed assets would be available to satisfy their loans at maturity. This is especially true given that Defendants marketed their services as stable and

reliable, not as speculative or high-risk ventures demanding sophisticated financial acumen.

a. *In Pirozzi v. Penske Olds-Cadillac-GMC, Inc.*, 605 A.2d 373 (Pa. Super. 1992), the Court wrote regarding a car that was presented as “new”: “It is unrealistic to expect the average consumer to specifically ask if the car was damaged in transit.” It would also be unrealistic for the Plaintiffs to specifically ask whether a 10-year fraudulent promissory note existed and was listed under “Current Assets.”

139. Defendants’ conduct constitutes unfair and deceptive acts and practices as defined under the Pennsylvania Unfair Trade Practices and Consumer Protection Law, 73 P.S. § 201-2(4), including but not limited to: (v) representing that their financial services had characteristics or benefits that they did not have; (vii) representing that their financial services were of a particular standard, quality, or grade when they were not; and (xxi) engaging in other fraudulent or deceptive conduct which created a likelihood of confusion or misunderstanding.

a. Defendants violated § 201-2(4)(v) by representing that their lending platform was stable, well-capitalized, and secure, when in fact they knowingly included a non-current, long-term, unsecured promissory note as a “current asset,” thus falsely inflating Genesis’s solvency and misleading consumers about the platform’s true liquidity.

b. Defendants violated § 201-2(4)(vii) by holding out their financial services as akin to a reliable, safe, interest-bearing consumer-level savings product when the underlying structure was neither conservative nor low-risk.

c. Defendants violated § 201-2(4)(xxi) by engaging in overall deceptive and misleading practices—specifically, the fraudulent misclassification of the \$1.1 billion unsecured promissory note and the omission of material facts about Genesis’s true financial condition—thereby causing Plaintiffs to misunderstand the nature and security of the financial relationship and services offered.

140. Pursuant to the UTPCPL, 73 P.S. § 201-2(3), “trade” and “commerce” mean:

[The] advertising, offering for sale, sale or distribution of any services and any property, tangible or intangible, real, personal or mixed, and any other article, commodity, or thing of value wherever situate, and includes any trade or commerce directly or indirectly affecting the people of this Commonwealth.

This broad definition encompasses the conduct of Defendants in marketing and offering their financial services to Plaintiffs and other Pennsylvania consumers.

a. The United States Internal Revenue Service's *IRS Notice 2014-21, 4(A-1)*, states "For federal tax purposes, virtual currency is treated as property."

b. As the UTPCPL defines trade as involving "any property," the UTPCPL protects Plaintiffs against misrepresentations involving both cryptocurrency and US Dollars.

141. Pennsylvania courts recognize the remedial nature of the UTPCPL. As the Pennsylvania Supreme Court has observed: "Since the Consumer Protection Law was in relevant part designed to thwart fraud in the statutory sense, it is to be construed liberally to effect its object of preventing unfair or deceptive practices." (*Commonwealth by Creamer v. Monumental Props., Inc.*, 459 Pa. 450, 459, 329 A.2d 812, 816 (1974)). In this case, the Court further noted: "Although the Consumer Protection Law did articulate the evils desired to be remedied, the statute's underlying foundation is fraud prevention." Given this guidance, the UTPCPL must be read broadly to protect Plaintiffs and similarly situated Pennsylvania consumers from the Defendants' fraudulent and deceptive conduct.

142. In *Commonwealth ex rel. Zimmerman v. Nickel*, 26 Pa. D. & C.3d 115 (Pa. Ct. Comm. Pl. Dauphin Cnty. 1983), the court emphasized that what triggers liability under the UTPCPL is the capacity of the defendants' conduct or statements to mislead consumers, rather than any particular classification or regulatory status

of the actual product the defendants were making misleading statements about. Thus, attempts to characterize the underlying transaction under a different regulatory scheme do not remove it from the UTPCPL's protective scope. The statute's central purpose is to protect Pennsylvania consumers from deceptive practices, regardless of how those practices might be labeled in another legal context.

143. Plaintiffs relied on these deceptive acts and practices while in Pennsylvania, making personal and household financial decisions. Had Plaintiffs known the truth—that Genesis was not stable, that a critical “current asset” was in fact a long-term, unsecured promissory note—they would have withdrawn their assets and avoided loss.

144. Plaintiffs are “persons” within the meaning of the UTPCPL, 73 P.S. § 201-2(2), and the lending services offered by Genesis and directed by DCG and its executives were presented as consumer-oriented financial services, not sophisticated investments.

145. Defendants' deceptive conduct caused Plaintiffs an ascertainable loss of money and property. The UTPCPL aims to protect consumers like Plaintiffs from such fraudulent schemes.

146. The UTPCPL contains no provision limiting the level of intelligence or sophistication of deceived consumers covered by the statute. The UTPCPL

protects all Pennsylvania consumers, regardless of level of knowledge or educational achievement. Reading such an exception into the statute would contradict public policy by discouraging consumers from conducting due diligence before entering into financial arrangements.

147. As demonstrated by *Commonwealth v. TAP Pharmaceutical Products, Inc.*, 36 A.3d 1112 (Pa. Cmwlth. 2011), where the Commonwealth recovered \$27,715,904 under the UTPCPL, the statute’s applicability is not foreclosed by the magnitude of the consumer losses. This precedent underscores that large financial amounts do not disqualify a claim from consumer-oriented protection under the UTPCPL. Although this judgment was ultimately vacated on appeal, the Court did so based on the conclusion that the Commonwealth’s evidence did not meet the legal standard to establish deceptive conduct or fraud under the relevant statutes—not because of the magnitude of the judgment.

148. The assets defrauded in these loans —Bitcoin, Ether, USDC (a stablecoin consistently valued at one U.S. dollar), and U.S. Dollars—are not securities. Bitcoin and Ether, as indicated by United States Securities and Exchange Commission statements, function similarly to commodities, while USDC and U.S. Dollars are treated as currency or cash equivalents. At no time did Plaintiffs intend to purchase investment contracts or other instruments that could be deemed securities under prevailing legal standards.

149. In the ongoing *SEC v. Binance Holdings Ltd., No. 23-1599, slip op. at 52 (D.D.C. June 28, 2024)*, the court dismissed the SEC’s claim specifically regarding Binance’s “Simple Earn” crypto lending program, stating: “The holders of crypto assets simply agreed to loan them to the company for a specified period of time at a specified rate of interest, and the complaint lacks any allegation that they were led to believe that Binance’s efforts would generate the return or make the assets more valuable at the end of the day.”

a. By contrast, the Binance court also distinguished a different offering called “BNB Vault,” allowing that portion of the SEC’s complaint to survive. The court found that BNB Vault, which paid varying rewards depending on Binance’s performance, potentially involved a “common enterprise” and profit-sharing from multiple yield sources, so the investors’ profits depended on Binance’s “managerial or entrepreneurial efforts.”

b. Here, Plaintiffs merely agreed to lend their assets at a fixed interest rate without any expectation that Defendants’ managerial efforts would enhance their intrinsic value—similar to the arrangement of Simple Earn.

c. Even if Defendants attempt to frame Plaintiffs’ transaction as involving securities, nothing in the UTPCPL’s text or purpose categorically excludes transactions involving securities from its protection. Therefore,

regardless of how Defendants characterize the underlying assets, the UTPCPL applies to the deceptive practices alleged herein.

DAMAGES

150. Plaintiffs incorporate by reference all preceding paragraphs of this Complaint as if fully set forth herein.

151. Under the Pennsylvania Unfair Trade Practices and Consumer Protection Law (“UTPCPL”), 73 P.S. §§ 201-1 - 201-9.2, Plaintiffs are entitled to recover their actual damages caused by Defendants’ deceptive and fraudulent conduct, and the Court may, in its discretion, award up to three times those damages, plus reasonable attorneys’ fees and costs. 73 P.S. § 201-9.2(a).

a. When fraud pervades the entire transaction, courts have ordered full restitution of the consumer’s property. See *Neal v. Bavarian Motors, Inc.*, 882 A.2d 1022 (Pa. Super. 2005) (affirming award of full purchase price due to pervasive misrepresentation).

152. Plaintiffs entrusted specific amounts of cryptocurrency to Genesis, believing—based on Defendants’ misrepresentations—that Genesis was fully solvent and financially sound, and that those same assets would be returned to them at the end of the loan’s term. Because these misclassifications of a \$1.1

billion promissory note went to the core of Genesis’s purported liquidity, the entire lending relationship was tainted from the outset.

a. Under a rescission-like theory, Plaintiffs are entitled to be restored to their position prior to Defendants’ misrepresentations (*Neal*, 882 *A.2d at 1033*).

b. The only true way to “undo” Defendants’ fraud is to return the same number of coins that Plaintiffs originally lent, given that the asset remains in active commerce and that Plaintiffs never intended to relinquish these coins in a high-risk, deceptive scenario.

153. Moreover, any damages calculation based solely on cryptocurrency prices around the time of Genesis’s bankruptcy would be inherently unjust. By then, Genesis’s and Gemini’s desperate attempts to cover their insolvency—such as collateral liquidations and forced asset sales—had contributed to an artificial depression of the assets’ market prices. In other words, Defendants’ own misconduct triggered a chain reaction that drove down Bitcoin’s value beyond ordinary market fluctuations, thereby heightening Plaintiffs’ losses.

a. In fact, the price of Bitcoin sharply rose immediately after Genesis declared bankruptcy, climbing roughly 11% within the next week alone, underscoring that the earlier low was not a simple function of market volatility but rather an outgrowth of Defendants’ concealed insolvency.

b. Awarding damages based on that suppressed price would fail to place Plaintiffs in the position they would have occupied had Defendants' wrongdoing never occurred.

c. Selecting a valuation at some arbitrary date would be unacceptably speculative, as it assumes that Plaintiffs would have disposed of those assets on whatever chosen date. In truth, Plaintiffs' well-documented practice was to hold these coins for the long term, and they would not have sold them but for Defendants' fraud.

d. Awarding damages based on the artificially low price of Bitcoin at the time of Defendants' bankruptcy would create an unwarranted windfall for Defendants. By fraudulently inducing Plaintiffs to maintain their assets at Genesis, Defendants suppressed Plaintiffs' ability to benefit from the subsequent price appreciation. If the Court were to measure damages at that artificially depressed snapshot, Defendants—who caused and concealed the financial collapse—would effectively reap the benefit of the later market rebound at Plaintiffs' expense. Such an outcome would neither make Plaintiffs whole nor comport with the principles underlying Pennsylvania's consumer-protection laws.

154. Plaintiffs acknowledge they received some monetary proceeds from the sale of their bankruptcy claim—an amount that is only a fraction of the fair

value of the coins taken. To the extent that this partial dollar payment might otherwise constitute a double recovery, Plaintiffs seek to offset that amount from the total coin-based award so as to avoid any windfall.

a. For example, if Plaintiffs lent 1 BTC now worth \$100,000 each (total \$100,000) but already received \$1,000 through bankruptcy distributions, Plaintiffs would remain owed the equivalent of \$99,000 worth of BTC. In a scenario where the Court orders in-kind restitution (i.e., coins), an offset of the partial dollar repayment would simply reduce the number of coins or the total monetary equivalent so that Defendants are credited for that prior payment.

b. This approach ensures that Plaintiffs recover only what is necessary to restore them to their pre-fraud position without duplicating what little they have already received.

155. Plaintiffs request the return of the following cryptocurrency amounts (and US dollars, for loans denominated in that currency), subject to appropriate offsets for the partial dollar payments already received:

Plaintiff	Asset	Quantity	Approx. Current Value
Stephen Sokolowski	BTC	50	\$5,055,850

Stephen Sokolowski	ETH	848.9679943	\$3,245,604
Stephen Sokolowski	USDC	86360.757695	\$86,360
Stephen Sokolowski	USD	\$45,282.45	\$45,282
Christopher Sokolowski	ETH	220.09263209	\$841,414
Christopher Sokolowski	USDC	155064.735245	\$155,064
Christopher Sokolowski	USD	\$2,621.22	\$2,621

Plaintiff	Claim Sale Offset Amount
Stephen Sokolowski	-\$618,627.50
Christopher Sokolowski	-\$123,515.23

156. If Defendants are unable to return the exact coins, Plaintiffs seek a monetary award of the remaining fair market value of those coins—again accounting for the partial bankruptcy proceeds as an offset—calculated at the time of payment or at final judgment, whichever the Court deems equitable.

a. Granting only the historic loan-date value would fail to make Plaintiffs whole under the UTPCPL and would effectively reward Defendants' deception.

b. Courts routinely award the full current value of property when a consumer has been fraudulently deprived of it, in line with Neal's affirmation of granting the entire purchase price where the transaction is fatally misrepresented. *882 A.2d at 1033*.

157. Plaintiffs further request that this Court exercise its discretion to treble the damages *73 P.S. § 201-9.2(a)*. The systematic, knowing misrepresentation of solvency—particularly through the misclassification of a massive, long-term promissory note as a “current asset”—demonstrates willful or reckless disregard for the truth.

a. In *Schwartz v. Rockey*, *593 Pa. 536 (Pa. 2007)*, the Supreme Court stated that “Centrally, courts of original jurisdiction should focus on the presence of intentional or reckless, wrongful conduct, as to which an award of treble damages would be consistent with, and in furtherance of, the remedial purposes of the UTPCPL” (*at 557*) and that “many individual claims asserted under the UTPCPL will be small, as the statute covers a wide range of consumer transactions. Thus, it seems reasonably likely that the Legislature wished to enhance the impact of monetary awards under the

statute to deter wrongful trade practices affecting the public at large” (*at 556-557*). Furthermore, the Supreme Court stated that “the courts' discretion to treble damages under the UTPCPL should not be closely constrained by the common-law requirements associated with the award of punitive damages” (*at 557*).

b. Defendants’ intentionally deceptive actions here—constituting an abuse of the trust placed in them regarding a large percentage of Plaintiffs' net worth—similarly warrant an enhanced award to deter future fraudulent practices and to ensure Plaintiffs are fully compensated.

c. This intentional or reckless deception was not an isolated incident, as evidenced by Genesis providing similarly misleading financial statements, containing the same material misclassification, to other creditors during the same period (See Exhibit D), demonstrating a pattern of fraudulent conduct warranting enhanced damages.

158. Pursuant to 73 P.S. § 201-9.2(a), Plaintiffs seek their attorneys’ fees and costs. Although they currently appear pro se, they reserve the right to recover all documented legal expenditures if they retain counsel or incur additional litigation costs.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that the Court enter judgment in their favor and against all Defendants and grant the following relief:

159. An order directing Defendants to deliver to Plaintiffs the identical number and type(s) of cryptocurrency coins that Plaintiffs originally entrusted to Genesis, subject to an appropriate offset for the partial bankruptcy claim sale proceeds Plaintiffs have received, so as to avoid any double recovery.

160. In the event Defendants cannot return the same cryptocurrency coins, an award to Plaintiffs of the full and fair market value of those coins, measured at the time of payment or at final judgment (whichever the Court deems just), similarly offset by any prior partial recovery, together with prejudgment interest on all sums awarded for Plaintiffs' loaned US Dollar losses from the date of the wrongful conduct to the date of entry of judgment, and postjudgment interest thereafter, at the highest lawful rate.

a. For clarity, Plaintiffs do not seek interest on the BTC and ETH portion of their losses, as Plaintiffs request the return of the actual coins or the equivalent value of the coins at the time of payment.

161. An award of treble damages pursuant to 73 P.S. § 201-9.2(a), in light of Defendants' willful misrepresentations and reckless disregard for the truth of their financial condition. Defendants' actions undermined public trust in

purportedly “safe” lending platforms and caused Plaintiffs to suffer significant monetary harm that a mere compensatory award would not remedy fully.

162. An award of Plaintiffs’ reasonable attorneys’ fees and costs pursuant to 73 P.S. § 201-9.2(a). While Plaintiffs currently appear pro se, they expressly reserve the right to recover any documented legal expenditures should they retain counsel or incur other recoverable costs.

163. Such other and further relief as this Court deems just and proper to effectuate the remedial purposes of the UTPCPL, ensure that Plaintiffs are fully compensated for Defendants’ deceptive conduct, and deter similar unfair or deceptive practices in the future.

Dated: March 25, 2025

Respectfully submitted,

/s/ Stephen H. Sokolowski

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**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

STEPHEN H. SOKOLOWSKI and
CHRISTOPHER H. SOKOLOWSKI,
Plaintiffs,

Electronically Filed

v.

Case No. 4:25-cv-00001-PJC

DIGITAL CURRENCY GROUP, INC.,
BARRY E. SILBERT, and
SOICHIRO “MICHAEL” MORO,
Defendants.

Hon. Phillip J. Caraballo

EXHIBITS LIST

Exhibit A - Balance sheet presented to Plaintiffs by Genesis

Exhibit B - \$1.1 billion promissory note between Genesis and DCG

Exhibit C - \$1.1 billion promissory note between Genesis and DCG

Exhibit D - Balance sheet presented to another Genesis lender by Genesis

Exhibit E - Transcript of interview of Stephen Sokolowski by Laura Shin

Exhibit F – Telegram conversation history between CCM and Genesis

Exhibit G – CM LLC operating agreement

Exhibit H – Corporate Telegram chat history between Steve Sokolowski and Hanson Birringer

Exhibit I – Private Telegram chat history between Steve Sokolowski and Hanson Birringer

Exhibit J – Screenshot of the Genesis Web Dashboard

Exhibit K – Genesis Due Diligence Questionnaire

Exhibit L – E-Mails from Genesis

Exhibit A

Genesis Lending Snapshot as of 9/21/2022

	Receivable		Liabilities		Secured	Loans (-)		Unsec Loans	Sub "B" CP Secured
	Active Loans	Collateral Receivable	Active Deposits	Collateral Payable		Collat Payable			
All	\$2,821	\$1,207	\$5,313	\$1,917	0.68x	\$904	\$735		1.09x
External	\$1,355	\$725	\$4,972	\$1,531	1.13x	(\$177)	\$186		1.09x

External Loan CP #	1	2	3	4	5	6	7	8	9	10
Loan % Concentration	21%	15%	14%	11%	7%	5%	4%	3%	3%	3%
USD / Stable % of Loans	70%	0%	9%	0%	100%	0%	0%	0%	0%	0%
USDT % of Loans	0%	0%	0%	0%	0%	100%	0%	53%	0%	0%
Crypto % of Loans	30%	100%	91%	100%	0%	0%	100%	47%	100%	100%
Collat % of Total Collateral	24%	20%	13%	14%	0%	5%	4%	3%	0%	2%
USD / Stables % of Collat	0%	0%	0%	100%	NA	100%	100%	100%	NA	0%
USDT % of Collat	0%	74%	0%	0%	NA	0%	0%	0%	NA	0%
Crypto % of Collat	100%	26%	100%	0%	NA	0%	0%	0%	NA	100%

Liquidity		Weighed Avg		Weighed Avg			
		Duration	Rating	Duration	Rating		
USD / Stables	\$910						
BTC	\$367	Total	35.5	4.9	BTC	10.6	4.0
ETH	\$349	USD / Stable	68.6	4.7	ETH	23.0	7.4
Liquidity from Majors	\$1,626	USDT	20.6	7.5	Alt	11.9	5.4

	Current	Receivable		Liabilities	
	Assets	Loans	Collat Rec	Borrows	Collat Pay
Total	\$3,352	\$2,821	\$1,207	\$5,313	\$1,917
USD / Stables	693	954	151	2,025	856
USDT	216	171	0	685	238
BTC	367	992	247	1,425	215
ETH	349	364	271	776	213
Other Assets	1,726	339	538	402	396
Assets	\$7,380	Liabilities	\$7,230	Equity	\$150

* approximate calculation across all lending entities

Exhibit B

PAYMENT OF THIS NOTE AND OF THE OBLIGATIONS HEREUNDER ARE SUBORDINATED TO THE EXTENT AND IN THE MANNER PROVIDED FOR IN THAT CERTAIN INTERCOMPANY SUBORDINATION AGREEMENT (THE “**SUBORDINATION AGREEMENT**”) BY AND AMONG THE OBLIGOR (AS HEREINAFTER DEFINED), THE SUBSIDIARIES OF THE OBLIGOR PARTY THERETO FROM TIME TO TIME, AND SB CORPORATE FUNDING LLC, AS ADMINISTRATIVE AGENT. THE SUBORDINATION AGREEMENT IS INCORPORATED HEREIN BY REFERENCE AND MADE A PART HEREOF AS IF SET FORTH HEREIN IN ITS ENTIRETY.

PROMISSORY NOTE

\$1,100,000,000.00

June 30, 2022

THIS PROMISSORY NOTE (this “**Note**”) is made as of the date first written above by the undersigned, DIGITAL CURRENCY GROUP, INC., a Delaware corporation (the “**Obligor**”), to GENESIS GLOBAL CAPITAL, LLC, a Delaware limited liability company (together with any successors or assigns or any subsequent holder of this Note, the “**Holder**”), and, solely for purposes of the agreements set forth in Section 1.6 of this Note, GENESIS ASIA PACIFIC PTE. LTD., a corporation organized and existing under the laws of Singapore (“**GAP**”).

WITNESSETH

WHEREAS, GAP heretofore has made or assumed loans and other financial accommodations (collectively, the “**TAC Loans**”) provided from time to time to Three Arrows Capital Ltd., a corporation organized and existing under the laws of the British Virgin Islands (“**TAC**”);

WHEREAS, the TAC Loans were funded with working capital provided from time to time by the Holder, evidenced by book-entry intercompany transfers from the Holder to GAP and resulting in non-interest-bearing accounts payable from GAP to the Holder (the “**Intercompany Payables**”);

WHEREAS, as of June 30, 2022, the parties agree that the aggregate principal amount of the Intercompany Payables, after giving effect to all repayments and recoveries in respect of the TAC Loans (and taking into account the value of any potential realization on any TAC Collateral (as hereinafter defined)) as of such date, is \$1,100,000,000.00 (the “**Assumed Liability**”);

WHEREAS, TAC has defaulted on the TAC Loans and, except for expected recoveries from the realization by GAP of collateral provided by TAC to secure certain of the TAC Loans (the “**TAC Collateral**”), GAP has substantial doubts that it will be able to recover any additional amounts from TAC in respect of the TAC Loans;

WHEREAS, notwithstanding the foregoing, the Assumed Liability shall be reduced in accordance with the terms of Section 1.6 of this Note to reflect any repayment or other recoveries (including any further realization on the TAC Collateral) in respect of the TAC Loans after the date hereof;

WHEREAS, contemporaneously with the issuance of this Note, GAP assigned to the Obligor, and the Obligor assumed from GAP, the Assumed Liability pursuant to that certain Assignment and Assumption Agreement, dated as of even date herewith, between GAP and the Obligor (the “**Assignment**”); and

WHEREAS, the Obligor is issuing this Note to the Holder to evidence the Obligor’s obligations in respect of the Assumed Liability and to memorialize the terms of the repayment thereof.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into the operative provisions of this Note by this reference, and for other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, the parties hereto agree as follows:

FOR VALUE RECEIVED, the Obligor promises to pay to the Holder on the Maturity Date (as hereinafter defined), the principal sum of ONE BILLION ONE HUNDRED MILLION AND 00/100 DOLLARS (\$1,100,000,000.00), or such lesser amount as shall equal the outstanding principal balance hereunder (as such amount may increase from time to time, if applicable, due solely to the payment of PIK Interest (as hereinafter defined) pursuant to the terms hereof, the “**Principal Amount**”), in lawful money of the United States of America in immediately available funds, and to pay interest from the date of issuance of this Note on the Principal Amount from time to time outstanding at a rate per annum and payable on such dates as determined pursuant to the terms of this Note.

SECTION 1. TERMS OF PAYMENT

1.1 Maturity Date. The unpaid Principal Amount of this Note, together with all accrued and unpaid interest as set forth in this Note, shall be paid in full on or before June 30, 2032 (the “**Maturity Date**”). If any day on which a payment is due pursuant to the terms of this Note is not a day on which banks in the State of New York are generally open (a “**Business Day**”), such payment shall be due on the next Business Day following.

1.2 Interest.

1.2.1 The Principal Amount outstanding from time to time shall bear interest at a rate equal to one percent (1.00%) per annum.

1.2.2 Interest with respect to this Note shall be paid quarterly in arrears on the last Business Day of each March, June, September and December of each calendar year, commencing September 30, 2022 (each, an “**Interest Payment Date**”), either (a) in cash or (b) at the option of the Obligor, or at any time cash payments are not permitted by the terms of the Subordination Agreement, in kind by adding an amount equal to the accrued interest for such quarterly interest period to the then-outstanding Principal Amount (interest so paid under this clause (b), “**PIK Interest**”). Once paid, any PIK Interest shall constitute principal of this Note and shall accrue interest as such.

1.2.3 Under no circumstances shall the rate of interest chargeable under this Note be in excess of the maximum amount permitted by applicable law. If for any reason any such

excess interest is charged and paid, then the excess amount shall be promptly refunded by the Holder.

1.2.4 Interest on this Note shall be computed on the basis of the actual number of days elapsed over a year of 365 days (366 days in a leap year). In computing such interest, the date this Note is issued shall be included and the date of payment of any Principal Amount shall be excluded.

1.3 Optional Prepayments. The Principal Amount, together with any accrued and unpaid interest thereon, may be prepaid, at Obligor's option, at any time prior to the Maturity Date, in whole or in part, without premium or penalty. All payments received by Holder hereunder will be applied first to interest and the balance to the Principal Amount. No amount repaid or prepaid hereunder may be reborrowed.

1.4 Recordation of Payments. The Holder is hereby authorized to record all repayments or prepayments under this Note on the schedule attached hereto, or otherwise in its books and records, such schedule and/or books and records constituting *prima facie* evidence (absent manifest error) of the principal amount of this Note; provided, however, that the failure of the Holder to make such a notation or any error in such notation shall not affect the obligations of the Obligor to the Holder under this Note.

1.5 Form of Payment. Any and all payments hereunder shall be made in lawful money of the United States of America by wire transfer of immediately available federal funds in accordance with such wire transfer or other payment instructions as the Holder may designate from time to time, or if no such designation is made.

1.6 TAC Loans.

1.6.1 Each of the Obligor and GAP hereby agrees to promptly pay or transfer over, and shall cause each of their respective affiliates to pay or transfer over, to the Holder any payment, repayment, distribution, proceeds or other amount received in respect of the TAC Loans or the TAC Collateral after the date hereof, whether in cash, securities or other property (each, a "TAC Recovery"), for application to the Principal Amount then remaining unpaid, until paid in full.

1.6.2 The parties hereto agree that the Principal Amount hereof shall be reduced immediately and automatically (on a dollar-for-dollar basis) upon the receipt by the Holder of any TAC Recovery, whether from GAP, the Obligor, TAC or any other person or entity, by set-off or otherwise.

1.6.3 Each of GAP and the Holder agrees that it shall use commercially reasonable efforts, in a manner determined in its reasonable business judgment with the advice of counsel and advisors, to maximize the TAC Recovery.

1.6.4 Each of GAP and the Holder agrees that the Obligor's obligations to repay the Principal Amount, together with interest thereon, in accordance with the terms hereof are subject to performance by GAP and the Holder with its obligations under this Section 1.6.

SECTION 2. MISCELLANEOUS

2.1 Amendments and Waivers; Transfers; Successor and Assigns. No amendment, modification, termination, waiver or consent to departure of any provision of this Note shall in any event be effective without the prior written consent of the Holder and the Obligor. This Note may not be assigned or transferred by the Holder to any person or entity without the consent of the Obligor, and any such assignment or transfer without the Obligor's prior written consent shall be null and void in all respects. The Obligor shall not be permitted to assign or transfer any of its rights, liabilities or obligations hereunder without the prior written consent of the Holder, and any such assignment or transfer without the Holder's prior written consent shall be null and void in all respects. This Note shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

2.2 Applicable Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without regard to principles of conflicts of law. The Holder and the Obligor hereby submit to the exclusive jurisdiction of the State and Federal courts located in the State of New York. THE UNDERSIGNED ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS, HIS OR HER CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY OTHER DOCUMENT, INSTRUMENT OR AGREEMENT BETWEEN THE UNDERSIGNED PARTIES.

2.3 Entirety; No Strict Construction; No Third Party Beneficiaries. This Note embodies the entire agreement among the parties and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. The language used in this Note shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any person or entity. The use of the word "including" and "includes" in this Note shall be by way of example rather than by limitation. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity, other than the Holder and the Obligor and their respective permitted successors and assigns, any rights or remedies under or by reason of this Note.

2.4 Further Assurances. Each of the parties hereto agrees from time to time, as and when requested by any party hereto, to execute and deliver or cause to be executed and delivered, all such documents, instruments and agreements and to take or cause to be taken such further or other action as such party may reasonably deem necessary or desirable in order to carry out the intent and purposes of this Note and any other documents or agreements executed or otherwise delivered in connection herewith.

2.5 Waivers. The Obligor hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

2.6 Severability. If any provision of this Note is held by a court of competent jurisdiction to be void or unenforceable in whole or in part, the remaining provisions of this Note shall continue in full force and effect.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the Obligor has executed and delivered this Note as of the date first above written.

OBLIGOR

DIGITAL CURRENCY GROUP, INC.

DocuSigned by:
BARRY SILBERT
By: _____
Name: Barry E. Silbert
Title: Chief Executive Officer

Acknowledged and Agreed:

HOLDER

GENESIS GLOBAL CAPITAL, LLC

By: Genesis Global Holdco, LLC, its sole member

By: _____
Name:
Title:

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, the Obligor has executed and delivered this Note as of the date first above written.

OBLIGOR

DIGITAL CURRENCY GROUP, INC.

By: _____
Name:
Title:

Acknowledged and Agreed:

HOLDER

GENESIS GLOBAL CAPITAL, LLC

By: Genesis Global Holdco, LLC, its sole member

By:  _____
Name: S. Michael Moro
Title: CEO

[SIGNATURES CONTINUE ON NEXT PAGE]

Solely for purposes of Section 1.6 of the Note:

GENESIS ASIA PACIFIC PTE. LTD.

By: 
Name: S. Michael Moro
Title: Director

Exhibit C

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this “**Agreement**”), effective as of June 30, 2022 (the “**Effective Date**”), is entered into by and between GENESIS ASIA PACIFIC PTE. LTD., a company organized and existing under the laws of Singapore (“**Assignor**”), and DIGITAL CURRENCY GROUP, INC., a Delaware corporation (“**Assignee**”).

WITNESSETH:

WHEREAS, Assignor is an affiliate of Genesis Global Capital LLC, a Delaware limited liability company (“**GGC**”);

WHEREAS, before the date of this Agreement, Assignor has made or assumed loans and other financial accommodations (collectively, the “**TAC Loans**”) from time to time to Three Arrows Capital Ltd., a company organized and existing under the laws of the British Virgin Islands (“**TAC**”);

WHEREAS, the TAC Loans were funded with working capital provided from time to time by GGC, evidenced by book-entry intercompany transfers from GGC to Assignor and resulting in non-interest bearing accounts payable from Assignor to GGC (the “**Intercompany Payables**”);

WHEREAS, as of June 30, 2022, the parties agree that the aggregate principal amount of the Intercompany Payables, after giving effect to all repayments and recoveries in respect of the TAC Loans (and taking into account the value of any potential realization on any TAC Collateral (defined below)) as of such date, is \$1,100,000,000.00 (the “**Assumed Liability**”);

WHEREAS, TAC has defaulted on the TAC Loans and, except for expected recoveries from the realization by Assignor of collateral provided by TAC to secure certain of the TAC Loans (the “**TAC Collateral**”), Assignor has substantial doubts that it will be able to recover any additional amounts from TAC in respect of the TAC Loans;

WHEREAS, notwithstanding the foregoing, the Assumed Liability shall be reduced in accordance with the terms of the Note (defined below) to reflect any repayment or other recoveries (including any further realization on the TAC Collateral) in respect of the TAC Loans after the date of this Agreement; and

WHEREAS, contemporaneously with the entry into of this Agreement, Assignee is issuing a promissory note to GGC to evidence Assignee’s obligations in respect of the Assumed Liability and to memorialize the terms of the repayment thereof (the “**Note**”).

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements set forth herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement (each, a “**Party**” and together, the “**Parties**”) hereby agree as follows:

1. Effective as of the Effective Date, Assignor hereby assigns to Assignee all of Assignor's rights and obligations in relation to the Assumed Liability (the "Assignment"). GGC hereby consents to the Assignment.

2. Effective as of the Effective Date, Assignee accepts the Assignment and assumes the performance of all of the obligations imposed on Assignee under the Assumed Liability and agrees to comply with, abide by and perform all of the terms of the Assumed Liability (the "Assumption").

3. The Assignment and the Assumption contained herein shall bind and inure to the benefit of the Parties and their respective successors and assigns.

4. This Agreement may not be changed, modified, discharged or terminated orally or in any manner other than by an agreement in writing signed by an authorized representative of the Parties or their respective successors or assigns.

5. No amendment or waiver of any provision of this Agreement and no consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by the Parties. Any such amendment, waiver, or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

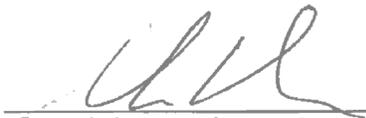
7. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, WHETHER IN TORT, CONTRACT (AT LAW OR IN EQUITY) OR OTHERWISE, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

8. This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which when so executed and delivered shall be deemed an original but all of which when taken together shall constitute but one and the same instrument. Any signature delivered by a Party by electronic mail or pdf format shall be deemed to be an original signature hereto.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the Effective Date.

GENESIS ASIA PACIFIC PTE. LTD.,
as Assignor

By: 
Print: S. Michael Moro
Title: Director

DIGITAL CURRENCY GROUP, INC.,
as Assignee

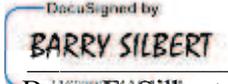
By: _____
Print: _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the Effective Date.

GENESIS ASIA PACIFIC PTE. LTD.,
as Assignor

By: _____
Print:
Title:

DIGITAL CURRENCY GROUP, INC.,
as Assignee

By:  _____
Print: Barry E. Silbert
Title: Chief Executive Officer

**Solely for purposes of consenting to the
Assignment pursuant to Section 1 of this
Agreement:**

GENESIS GLOBAL CAPITAL, LLC

By: Genesis Global Holdco, LLC, its sole member

By:  _____

Name: C. Michael Moro

Title: CEO

Exhibit D

External Loan CP #	1	2	3	4	5	6	7	8	9	10
Loan % Concentration	26%	23%	19%	5%	5%	4%	3%	2%	2%	1%
USD / Stable % of Loans	0%	9%	67%	0%	0%	0%	0%	0%	0%	35%
USDT % of Loans	0%	0%	0%	45%	0%	0%	0%	0%	0%	0%
Crypto % of Loans	100%	91%	33%	55%	100%	100%	100%	100%	100%	65%
Collat % of Total Collateral	34%	22%	18%	4%	0%	4%	3%	2%	0%	0%
USD / Stables % of Collat	0%	0%	0%	100%	NA	0%	0%	100%	NA	100%
USDT % of Collat	74%	0%	0%	0%	NA	0%	0%	0%	NA	0%
Crypto % of Collat	26%	100%	100%	0%	NA	100%	100%	0%	NA	0%

Liquidity	
USD / Stables	\$293
BTC	\$630
ETH	\$635
Liquidity from Majors	\$1,557

	Weighed Avg	
	Duration	Rating
Total	32.0	4.0
USD / Stable	76.1	3.3
USDT	13.0	3.7

	Weighed Avg	
	Duration	Rating
BTC	8.7	3.9
ETH	11.9	5.3
Alt	12.9	5.6

	Current	Receivable		Liabilities	
	Assets	Loans	Collat Rec	Borrows	Collat Pay
Total	\$3,249	\$2,308	\$1,022	\$4,985	\$1,419
USD / Stables	279	701	157	1,799	538
USDT	14	66	0	361	238
BTC	630	980	214	1,583	192
ETH	635	393	229	858	267
Other Assets	1,691	168	422	385	184
Assets	\$6,579	Liabilities	\$6,404	Equity	\$175

Approximate consolidated balance sheet across primary lending entities (GGC, GAP, GGCI)

Exhibit E

TRANSCRIPT OF INTERVIEW
OF STEPHEN SOKOLOWSKI BY LAURA SHIN
JANUARY 2023

Laura Shin: Hi everyone. I'm here with Steve Sokolowski, chief technology officer at Prohashing. And I actually know Steve from years ago *um* but I haven't talked to him in a long time and I've seen him be pretty active in the discussions around Genesis's bankruptcy. So I figured I'd reach out - and it turns out he also has, *um*, certain grievances with what has happened with the BlockFi bankruptcy, *um*, which we can go over. So, Steve, *um*, I leave it up to you kind of how you want to tell the story. Would you want to start with BlockFi first?

Stephen Sokolowski: *Uh* yeah, I - I could talk about BlockFi first or I could talk about Genesis too. Thank you for interviewing me, Laura. I think that the key thing to understand about this whole lending industry is that it's pretty much all built upon lies and misrepresentations - sometimes outright fraud all the way from the top down at - at pretty much all of the companies. And many of the journalists who are reporting on this are making it sound like this is an isolated incident, like that *you know* it was only Genesis that had this one point one billion dollar promissory note or maybe only some other company. But, in reality, the whole industry it turns out was probably misrepresenting most of what they were offering to their customers.

Laura Shin: All right, so, yeah, why don't we - so I think chronologically at least for you the story, *um*, starts with BlockFi. Am I right about that or...?

Stephen Sokolowski: *Uh* actually it starts with Genesis. *Uh*, I was lending to Genesis for, *uh*, a long time - *uh*, since early 21, and I started talking to BlockFi around September of 22, when our term loans were expiring and I was doing a lot of research around that time to compare all of the companies.

Laura Shin: Oh okay, so then let's start the story with Genesis. Tell us, *yeah*, how you started working with them and what your relationship was and what you discovered.

Stephen Sokolowski: So, I, *uh*, work with a - a fund, which consists of me, and my brother, and Prohashing's reserve, like the money that the company uses to pay bills and things like that - some of that, and two other people *uh* who are involved in it. And, we began lending money to Genesis early in - in 21, continued with that through, *uh* 22 we lent them - at one point the total amount had gotten up to about 20 million and at the time in September of 22, when all of the - the misrepresentations and - and lies were being made, it was around seven or eight million dollars or so at that point. And, I did quite a bit of research at that time, basically spent the entire month of September of 22, researching these companies because *you know* it was a lot of money and we wanted to be sure when to diversify our investments across - across as many companies as possible. *Uh* you know, and we - I did the research, I searched for documents, I talked to people,

talked to Zach Prince, I'll talk about in a little while, and came up with a whole bunch of documentation about both companies.

Laura Shin: All right, so, yeah, tell us a little bit about, *you know* kind of, what your due diligence was on Genesis and how you started working with them and, *you know*, what kind of relationship you entered into.

Stephen Sokolowski: So, with Genesis, I asked them to see their company balance sheet. I asked BlockFi for this as well. And, I received a balance sheet that listed their - their top 10 lenders, and my understanding is that this balance sheet was presented to a number of other customers, perhaps to Gemini although I don't know whether it was that or some other sheet that was similar to it. And, it showed not the names of the customers, but what the percentages of loans were out, how much was collateralized. It also listed their assets. They listed "current assets" - that exact phrase - "current assets" in one column, and then liabilities, and in another column, and then they added them up and then it showed that they had positive equity which indicated that they were a solvent company.

Laura Shin: Okay and this was when again?

Stephen Sokolowski: *Uh* and this was in - I was presented that sheet on September 21st of 2022.

Laura Shin: Wait I'm sorry. That was Genesis or BlockFi? I thought you said that you...

Stephen Sokolowski: That was Genesis. So, BlockFi also saw sheets for in that same week. *Uh* but if you're asking about Genesis that was the Genesis sheet that I was presented in September of 22 so, *uh*, there – of - on that sheet there was a row that said other assets on that sheet. In - in a significant amount, which was like one point, *uh, you know*, six or seven billion or something like that. And it was listed under current assets. So my interpretation of that was I was offering Genesis a one-year loan or considering offering them a one-year loan, and since that's a current asset, that means that all of the assets that are listed in that column should be able to be called before my one-year loan is due. And, apparently now it turns out that one of their assets is this 10-year promissory note to Digital Currency Group, and, if that was listed in the one in the current assets then obviously they do not borrow - I've never heard of them ever borrowing from a customer for 10 years. So how can they say that they are solvent when they borrow from customers for one year, and then their loan - their books are backed by a 10-year loan that is at, apparently, and no I can't say this for certain, but apparently it's - it's rumored that it was at a very low interest rate like 1.1 percent or something like that.

Laura Shin: Right. And then, *um*, did you ever confirm that that 1.7 billion dollars in current assets was the one, *you know* - was comprised of that promissory note and then the additional, *um* - I guess it was a - a loan that was due in May of this year?

Stephen Sokolowski: They - they will not confirm that, but they will be publishing the - they do have by law to publish their assets and liabilities in the bankruptcy docket. *Uh*, I'm told that that'll be in March. Ram Ahluwalia, who you've interviewed, had a Twitter space yesterday and so he believes that'll be published in March. So we will know for certain whether that, *uh* - that note was published in the - is part of those assets. And if it is, then, *you know*, obviously that document was not a true representation of what Genesis actually had on their books. They were not solvent in that one-year time frame and I would never have invested with a company that was saying that they were - *you know* - that they were going to be able to make money over 10 years in the cryptocurrency industry. Who would - who would trust Digital Currency Group to be good on its loans in 10 years in this industry? You know, companies go belly-up constantly.

Laura Shin: Right. And just to *um, like*, fill in part of it. You said that you had actually started your conversations with Genesis in 2021, but - but then when I asked you about the relationship, you only mentioned what happened in September 2022. So, what happened in between those times?

Stephen Sokolowski: So, in between those times I was just talking with them and I did not see that sheet. So, when the Three Arrows collapse happened, I talked to them during that week, and I - I asked them - this was after their tweets on, I believe it was June 17th, when Michael Moro said that they had - the Digital Currency Group had assumed the liabilities and that essentially everything was fine. So I asked them how - how things were - *you know* - what was going on at the company, and *uh*, they said *you know* everything is fine during - during that time.

Uh, if you feel that the risk is too high at - at this time *you know* for the rates you're getting, then we can offer you a significantly higher rate if you lock the loans in for a brief period like a locked term not a year-long loan. In this case, it was three months.

So, *you know*, I talked with them and decided, *uh*, we think that it's okay for three months and then I want to see, *you know*, then I - I wanted to see all of this documentation when we were renewing. So that's why, when the end of August came around I started doing a ton of research into BlockFi and Genesis, and, *you know* started asking for this documentation. And, *you know* unfortunately it turns out that - that both types of the documentation appears to have not been telling the whole truth.

Laura Shin: And so, *um*, - just so I understand. So you started doing research into crypto lenders in 2021, but you didn't actually invest any money until after the Three Arrows collapse?

Stephen Sokolowski: No, we invested money then, and the entire time, *you know*, I was being told that everything was fine, that, *you know*, nobody ever said anything about this GBTC trade for example, right? So, if any - if anybody had said something about that, I probably also would have not - not gone with Genesis either. So, I should have in the beginning, maybe specifically asked them, are you doing, *you know*, GBTC trades or something like that. But, in my opinion, *you know*, I - I think that there's also some sort of *uh*, *you know*, obligation that you should maybe, *uh*, be a little bit more honest about your business practices. I mean, obviously everybody tries to make a sales pitch, right? But you also, should -

shouldn't be misleading customers about, *you know*, how ev - about how we're - we're, *you know*, just kind of like making loans and then, *you know* charging a higher interest rate and, *uh*, - and, *you know*, spread - pocketing the difference. I mean, that was my understanding of what these companies were doing, and it's pretty clear that that was not their entire or even their primary business model to just borrow money and then lend it out at a higher interest rate.

Laura Shin: Okay, *um*, so one thing that I need to understand is, so you - you had successfully lent money to Genesis, *um*, and then after Three Arrows, *um*, did you perceive that any money that you had lent them was at risk in any way or - or no?

Stephen Sokolowski: Well, I asked them about that. *You know*, I thought that, *you know*, well, I got to investigate this. But see, *you know*, Genesis was “the” prime lender at the time, right? I mean nobody would have thought that Genesis of all places was the one that would fail. *You know*, I thought, well, *you know*, Nexo seems kind of strange because I researched them and they have company tokens. *Uh, you know*, Crypto.com has company tokens and they have these ridiculous interest rates at, *uh* - with their, *uh* - with their credit cards, I believe. And you know I - I wrote posts about this all my research that I did in 21. I hadn't seen the balance sheets at that time, but I ruled out a lot of other lenders because of all these crazy schemes. But Genesis didn't have any company tokens, they were backed by Digital Currency Group, which - which had a Bit License and everything like that. They operated in New York. Genesis is in Park Avenue. *Uh, you know*, there - there was no - there's - there's nothing that really indicated to them that they were

violating any rules or regulations. Or perhaps what we're finding out is that even if all these companies did adhere to every rule or regulation, it simply would not have prevented this - the rules were insufficient. I don't know. But whatever the case is, Genesis was the prime lender in the industry. And, *you know*, it was unthinkable to all the people who I talked to at the time that Genesis would be involved in this sort of thing.

Laura Shin: Yeah, and a disclosure for the audience, my - one of my former sponsors is Nexo and a current sponsor is Crypto.com. So, one thing then, you know, that I - so now we we've kind of covered that period of what happened, *um*, before I think things started to really go south for you and you have this extensive blog post about conversations you had with BlockFi in September and you also now have talked a little bit about your conversations with Genesis in September. So, tell us, *um, you know*, I guess what you haven't yet told us about BlockFi and then, *um*, - and then we can go to the point when, *yeah*, afterward you realized that maybe, *um*, certain things were not represented accurately.

Stephen Sokolowski: So, with BlockFi, the way I actually found out about this whole industry was by lending some money to BlockFi early in - in 21 but I withdrew it and then hadn't really had anything to do with BlockFi for the next year and a half. *Uh*, in August though, I - I was doing the research and was contacted by one of BlockFi's salespeople and they had - were talking about, *you know*, different *uh*, - different loan terms they had and everything like that. And their rates were more attractive than Genesis so I wanted to understand exactly why it is that they could offer more attractive rates than Genesis. My conclusion at

the time was that after doing the research I thought was the reason their rates were more attractive is because they had more uncollateralized loans than Genesis did and so that extra rate was - was paying essentially for the risk because there were more secured loans at Genesis.

Uh, but *uh*, - so they contacted me. I - I talked with them pretty much throughout like the first two weeks of September, because our loans were about to become due towards the end of September, *uh*, when they expired on September 20th. So, before this I started an email thread, which I posted, with a few things like the - the person's phone number redacted and the conversation goes on for a while with some mundane stuff asking for their rates and so on. Then, *uh*, at - then I became concerned a little bit after reading more into their deal with FTX, because I thought that they seemed to be a little bit too intertwined or too dependent upon FTX. So, what I asked them in the email was I wanted to see, did BlockFi actually borrow any money from FTX because they had a credit line, and it was for 400 million dollars, and it's a lot different if they had borrowed the money already and had a - *you know*, had drawn that debt a lot and *uh* were dependent on them or whether they were independent but that that credit line was just there in case they, *you know* - some of their loans defaulted. And, I was told on September 21st, "we have drawn on this but paid it back since it's a revolving credit facility", and that was in the emails.

Then, after - after that, I continued to do some more research. I looked at BlockFi's balance sheets. *Uh*, they made no mention of FTX, they looked good. *Uh*, then a little bit later, I - a few days later, I basically though concluded that even though the balance sheets didn't mention FTX, there was still kind of a little too much uncertainty over that so I said, *uh*, in the emails that your balance sheets look good, but because the FTX deal closes during the fixed loan term, we believe that

the uncertainty introduced by that deal is more risk than, *uh* - than the spread between your and Genesis's rates. So, I basically told them that, *you know*, because of FTX, we're not really going to be, *uh* - we're not going to be lending to you. So I sent a message to Genesis after having seen their balance sheet, and said okay let's get a loan to you instead of to BlockFi. And, *uh*, then I was told in the next email, would you be interested in having a call with Zach Prince to further talk through the FTX deal and any other questions you may have? And so, I went to that meeting with Prince.

Laura Shin: And what did he say?

Stephen Sokolowski: *Uh*, the meeting was - was pretty long, so I don't want to bore you and - and all of your listeners. *Uh, you know*, he talked about - I was concerned about how many employees BlockFi had and, *you know*, whether that was going to increase their cash burn. I - they - he talked about the SEC a little bit, *uh* he talked about minor loans, *you know*, a whole bunch of other things that really aren't pertinent to this but then we also talked about FTX. And, so we - there were six people there, and three of us asked Zach Prince about what is the relationship between BlockFi and FTX. And, *uh*, he stated that Blockfi and FTX were independent entities. And, you can see that there's actually public tweets where his co-founder, Flori, stated the same - actually, the day after FTX, I believe, had, *uh*, - had started to encounter problems, or maybe it was a few days after that I'm not sure.

So I - I kept getting this reassurance that they were independent entities, and I also was led to understand that the FTX line of credit was not being used. And,

we know that - so this meeting took place on September 23rd, and we know in both the BlockFi and the FTX bankruptcy filings that they actually had drawn 250 million dollars from the credit line on September 30th. So, it's - it's probably likely that they had already drawn upon it. Or certainly if they had not, then they had to have known that they were going to draw upon it within the next few days. *Uh*, I - I just don't understand how - how the CEO of a company that is going to wi - to borrow 250 million dollars would not know about the, *you know* - that there were plans to do that in a call that was just a few days before that. So, I suspect that as the bankruptcies come out we'll probably find out that that loan was drawn before the 23rd, but even if it wasn't, then that was certainly a very misleading statement to say that they had not drawn upon that line or that they had drawn - sorry, to be specific, they had drawn upon that line and had fully paid it back.

Laura Shin: And, *um, so*, because of that call, did you then move money over from Genesis to BlockFi? Is that what happened?

Stephen Sokolowski: Yes. *Uh*, and I - I have that evidence there too. *Uh*, there's a person at Genesis who, *uh, you know* - I have the - the conversation with him. I mean, that was the reason because I talked with Prince, *uh* then all of the members of this fund, we - we got into a meeting after that and we all said Prince is trustworthy. *Uh, you know* - he - it seems like what he said was true. *Uh*, let's go and - and move the money so we moved money to BlockFi and - *uh* and it was solely based upon this call and those representations that *uh, you know* - that were made in the emails. And *you know*, again, I don't know whether the, *uh* - whether the people who were writing the emails were aware of the loan or not. *Uh*, so I - I

have no evidence to either implicate or exonerate the employees who wrote the emails, just to be clear about that.

Uh, but I - I guess it gets down to the logic here was that if FTX and BlockFi were independent companies, then - then both of them would have had to fail for separate and independent reasons if - if I was going to lose money. So, if - if Blockfi had trouble with their loans or something then FTX had 400 million dollars of junior credit ready to step in. And, if FTX were to fail, well then BlockFi hadn't actually borrowed anything from FTX just yet, and they didn't have any money in FTX custody, so therefore there wouldn't be any - any issues there I mean then one or the other company could fail and we would still be okay. And that was the main reason that we went with BlockFi because we had two companies that would have had to fail independently, and we just assumed that the odds of both companies independently failing were extremely low. And, of course, they - they would have been. Blockfi would not have - if they were independent, FTX would have failed and BlockFi would not, and I wouldn't have lost any money.

Laura Shin: Okay. So, *um*, presumably you didn't move everything from Genesis over to BlockFi, which is why, *um, yeah*, so as - as of the time of this recording, um you have not yet published, *um*, your allegations against Genesis, but why don't we go over those right now? So, tell us what your relationship was with Genesis after you moved at least some of the money to BlockFi.

Stephen Sokolowski: Yeah, so we moved about 3 million dollars to BlockFi and there was about 4 million dollars remaining at Genesis. And, *uh*, we - we had a few options, *you know*, - when we were doing this research. We were considering

either, *you know*, - we could have gone to more lenders, *uh*, we could have, *uh* - we could have moved money to BlockFi, we could have kept money at Genesis, or - or we could have, *uh*, one of the options was take like half the money out and keep half the money at Genesis or just go all out all together. So, we had all the options on the table. And, *uh*, *you know*, we came to this conclusion because we didn't think that the other companies were trustworthy. Like Ledn, for example, I did have a meeting with Mauricio de, *uh*, - de Bartolomeo, I'm sorry if I got that name wrong, Mauricio, if you're watching.

Laura Shin: Bartolomeo, yeah.

Stephen Sokolowski: And, *uh* - and John Glover, who's their risk management *uh* head. And, they told me that they were doing low-risk trades and *uh*, they *uh*, - they wanted to offer a lower rate, but they wouldn't present their balance sheet to me. So, that was the reason we didn't go with Ledn. I kept asking them for that balance sheet, and they wouldn't present it to me. So, really, the end result is that we were presented misleading balance sheets and that's why we went with these two companies because, *you know*, we were get - we thought that because these companies presented balance sheets that, *you know*, - that they were safer. As to Genesis, *you know*, the - the allegation is pretty simple. They present - I asked them for a balance sheet, they presented a balance sheet. It listed like 1.6 or however many billion dollars under current assets. And, if we find out in March that that loan - that promissory note, which is 10 years was represented as a current asset, then that balance sheet was false. That - that is not how accounting is done.

Laura Shin: Okay, yeah, yeah. *Uh*, those, *uh* comments and that analysis has been making the rounds on Twitter. *Um*, you know none of it has been confirmed, but obviously, *you know*, because of what the definition of a current asset is versus the terms of that 1.1 billion dollar promissory note it does seem likely that, *um*, DCG or Barry Silbert were, *um*, using kind of a different definition of current, *uh*, meaning, *you know*, we're current on paying this loan, *uh*, which is - which is funny because, - yeah it's just, *uh*, you know.

Stephen Sokolowski: Well, I also would dispute, I mean, maybe legally you could call it a loan but I would dispute that in common language that we would call what happened there a loan.

Laura Shin: Right, right.

Stephen Sokolowski: I mean, when do - when does a loan ever involve not actually giving somebody any money, right? When I take out a loan to buy a house, they give me money and then I use it to buy the house. I don't get some promise that they'll pay for the house in 10 years.

Laura Shin: Right, exactly. Yeah.

Stephen Sokolowski: And that's by the way what I understood their June 17th statement to - to read, that, *you know*, they - they took 1.1 billion dollars, *you*

know, and - and in exchange, they gave - they took the debt and they paid Genesis 1.1 billion dollars. Maybe I should have read between the lines or something like that in June, *you know*, but *uh*, I - I - that's a little dishonest to me that they didn't state exactly what happened at the time, and, *you know*, use these terms like they "netted against their balance sheet" or whatever the exact quote is.

Laura Shin: Okay, and is that the - kind of the main thrust of your, *um*, allegations against Genesis - the misrepresentations?

Stephen Sokolowski: Well, I mean it - it - I think the - the most obvious the – the most obvious fault is simply that if that promissory note is true and we're going to find that out, then this balance sheet that they presented to me is not true. I - I think that that's what it goes down to, *uh*, pretty easy. And, I don't know how many others were presented this balance sheet, but I would expect that there were many people who - who were presented this. I mean, the - the people inside Genesis told me that this was something that they present to people so I would assume that many people relied on this. And, I would assume that if they did present this to many people then that means that there is *you know* a lot more liability for, *uh*, for Genesis and Digital Currency Group than is - is being reported right now. And, *uh*, that was why I decided to sell my claim because I don't want to stick around in this bankruptcy and find out what is going to happen if - if Digital Currency Group goes to bankruptcy and, *you know*, all the chain reaction down the line there.

Laura Shin: Got it. Okay, what have I not asked you that you would want my listeners to know?

Stephen Sokolowski: Hmm.. Well, I, *uh* - I don't know. I think that the - as I said in the beginning I - I think that all of these companies are built upon kind of a - a flawed premise. And, *you know*, I - I think that there's - there's probably something wrong with - with today's blockchains. Maybe - maybe like they work fine for what they're designed for, *uh* you know they - they do fast, irreversible transactions. And, *you know*, that's fine for certain things. I'm - but the legacy system excels at getting rid of fraud because transactions are slow so there's time to get rid of, *you know* - time to reverse them and because they're reversible. So I - I don't know if today's blockchains have the sufficient technology to be able to prevent this sort of stuff from happening in lending.

You know, there - there needs - if you're going to have fast and irreversible transactions, then some other technology, which we probably can't conceive of right now, you know, *uh*, and - and it'll be developed someday I'm sure, needs to be developed to automatically detect this fraud or prevent it in some way, *uh*, because, I don't see this lending industry having any future. *Uh*, you can't just decide that you're going to put existing rules or regulations on it when anybody could take a cold wallet like a Ledger device out like this - you know, get the device, open it up, start typing in things on it, and now 250 million dollars is gone at some other company and you can't reverse that transaction. So, I - that's why I'm just not bullish on this idea that crypto lending will ever - will ever really grow into a legitimate industry.

Laura Shin: Yeah, well clearly after this past year there is a lot of questions about how to make this work, *um*, in a better way. So, *um*, yeah, I think a lot of

people would agree with you on that. *Um*, although obviously in DeFi there was a lot more, *um*, a lot more [*unintelligible*]...

Stephen Sokolowski: I'm not bullish about DeFi either.

Laura Shin: Ah, really?

Stephen Sokolowski: Cross-chain bridges, how many times have you heard that word? Anybody who's, uh - who's listening.

Laura Shin: Along with the word hack.

Stephen Sokolowski: Yes.

Laura Shin: Right, right. But you know, that - that's an even more nascent technology so, *um*, we'll have to see how that plays out. But, all right, Steve, well, it was a pleasure reconnecting with you. Thank you so much for sharing your experience.

Stephen Sokolowski: Thank you.

Exhibit F

13 April 2021

Hanson – Genesis created group «Steve Sokolowski <> Genesis» with members Hanson – Genesis and Steve Sokolowski

Hanson – Genesis invited Matt Ballensweig

Hanson – Genesis invited Hamill

Hanson – Genesis invited Leon – Genesis

Hanson – Genesis invited Roshun Patel

Hanson – Genesis invited Deleted Account

Hanson – Genesis invited Carter Hohl

Hanson – Genesis invited Deleted Account

Hanson – Genesis invited Deleted Account

Hanson – Genesis invited Bek

Hanson – Genesis invited Deleted Account



Hanson – Genesis

14:57

Hey [@SteveSokolowski](#) ! Great to have you on board, please feel free to use this chat any time for all OTC trading or lending related queries – I've invited the right folks from the Genesis side.

We can facilitate lending/borrowing for either crypto or fiat – we are very flexible on duration (weeks / months/ no fixed maturity all work). Our min size is 500k USD, 50 BTC or 1000 ETH (equivalent for alts) , and our average size is ~5mm USD notional.

We can also transact block OTC trades here too. Min ticket size 250k. We can also offer liquidity in forwards and vanilla European options on a cleared and bilateral OTC basis.

We are looking forward to getting started with you.

Hanson

Team, Steve would like to get the term sheet papered for 1096 ETH open term @ 3.50% with 15:01 interest paid in kind but distributed monthly. [@DanGenesis](#) can we get that started for him? Thank you!

14 April 2021

Deleted Account 10:26
Hi Steve, on prime if you click the three lines in the top left hand corner and select profile, you should be able to see your address. Let me know if not

Steve Sokolowski 10:55
ok, I do see "my addresses" and "genesis addresses," but both have no rows

let me log out and back in 10:56

no, still no rows 10:56

Deleted Account 10:59
ok will come back to you on this

Deleted Account 13:14



Hi Steve, next time you login you should see the above 13:14

Steve Sokolowski 13:15
great – I just saw it, thanks

ok, now I'm just waiting for the funds to arrive 13:15

I'll get back to you once that happens 13:15

Deleted Account 13:17
Sounds great ty

16 April 2021

Deleted Account 07:50
Hey @SteveSokolowski We received your 3 deposits of ETH totaling to 371.48869943

Steve Sokolowski 07:55
thanks! Gemini apparently is calling a loan from Genesis for the rest

1-gemini.png 07:55
Not included, change data exporting settings to download.
157.8 KB

there isn't a reason for you to call the loan back from the borrower, so if there is some way to just transfer the name of the lender from Gemini to me since you both are owned by the same company, that could speed things up 07:56

if not, Gemini said they could take until April 22 07:57

17 April 2021

 **Steve Sokolowski** 08:36
the rest of the money was sent

0x13b085af6458744bc5f0dbdc0d04bbdbbdf63365cc1833ea7cb25e898c944921 08:36

 **Hanson – Genesis** 09:27
Thanks @SteveSokolowski our Ops team will confirm when back online. Have a great weekend

19 April 2021

 **Deleted Account** 08:02
724.51130057 ETH well received

 **Steve Sokolowski** 08:03
thanks – and if Hanson didn't tell you, it would be great if you could get your representative to the second agreement so I can store it for my records

I only have the Genesis signature on the Master Loan Agreement 08:04

 **Deleted Account** 08:04
Ok. will follow up with the other teams

 **Steve Sokolowski** 08:04
thanks!

what rates can you guys offer on dogecoins? 08:05

 **Deleted Account** 08:06
we currently cant do dogecoin transactions

 **Steve Sokolowski** 08:06
ok, no problem

 **Steve Sokolowski** 08:24
I received the signed document – thanks again

20 April 2021

SS **Steve Sokolowski** 08:08
good morning, I just wanted to note that I think your accounting system has a double entry in it – the dashboard at prime.genesisitrading.com is showing two equal loans, one of which is "pending"

H **Hamill** 08:11
hey @SteveSokolowski taking a look at it now

Deleted Account 08:18
Hi @SteveSokolowski Active loans represent funds received & accruing interest but we've aligned for the full balance of 1096 ETH effective the 17th which you should see in Prime now

SS **Steve Sokolowski** 08:24
that loan is still in "pending" status – shouldn't it be "active" then?

Deleted Account 08:27
Yes this should be reflected momentarily

SS **Steve Sokolowski** 08:27
great, thank you!

I also wanted to make you aware of <https://prohashing.com/guides/earning-interest-on-cryptocurrencies> if one of your marketing people wants to read it for accuracy. I'm continually updating this document as the CEOs of other companies pointed out issues with it. If Genesis wants to point out errors, I'll be glad to correct them. Have a great day!

Deleted Account 08:35
No problem feel free to ping us here anytime. Also very interesting thank you for sharing @SteveSokolowski

28 April 2021

SS **Steve Sokolowski** 06:48
Good morning – BlockFi is lowering its rates again! Assuming your rates have not changed from my previous ETH loan 12 days ago, could you create an additional loan contract for 223 more ETH, starting either tonight or tomorrow when they process my withdrawal requests? Thanks!

H **Hanson – Genesis** 07:08
Morning Steve, to confirm you would like to add 223 ETH to the outstanding 1096 ETH for open term correct?

Our rates are still 3.5% for open term for ETH 07:10

SS **Steve Sokolowski** 07:10
yes

- H** **Hanson – Genesis** 07:11
Great, lending and ops should be on in about 45 min and we can get that process started for the new term sheet for 1319 (+plus your already accrued interest on the 1096) ETH open term at 3.5%
- SS** **Steve Sokolowski** 07:12
ok, thanks
- I need to drive 130 miles to get a vaccine today so I will be out for a good portion, will be back towards the late afternoon 07:13
- H** **Hanson – Genesis** 07:13
No worries, we will have to wait for BlockFi to release the funds on their side as well
- SS** **Steve Sokolowski** 07:14
yep, and they are probably losing a billion in assets just like they did last month when they lowered BTC so they are swamped
- H** **Hanson – Genesis** 07:15
I think you may be right!
- SS** **Steve Sokolowski** 07:16
if you need to write up a new loan sheet and can do it, just compound the interest from the last month
- H** **Hanson – Genesis** 07:17
Yes we will add up the accrued interest for the new starting balance for the newest open term
- SS** **Steve Sokolowski** 07:17
ok, thanks
- H** **Hamill** 07:47
Good morning @SteveSokolowski – interest is paid out monthly. but we will send a term sheet over for the additional ETH from BlockFi. Interest accrued will be paid out and reflected on the portal 1st business day of May.
- SS** **Steve Sokolowski** 07:47
ok, no problem
- when interest is accrued, what is the default? compounding or payout? 07:48
- H** **Hamill** 07:49
In reply to [this message](#)
default is compounded monthly

 **Steve Sokolowski** 07:49
that's perfect, thanks

 **Hamill** 07:49
no problem

29 April 2021

 **Deleted Account** 15:29
84.97895 ETH just landed, Steve
85 ETH received just now as well 15:32

 **Steve Sokolowski** 15:35
you should have all 223
maybe it didn't confirm yet 15:36

 **Deleted Account** 15:36
yes 3rd one just came in totaling to 223. Thanks

 **Steve Sokolowski** 15:37
no problem, let me know if you need anything else for this loan

 **Deleted Account** 15:38
all set here

 **Steve Sokolowski** 15:39
thanks!

5 May 2021

Hanson – Genesis invited Reed Werbitt

Hanson – Genesis invited Michael Paleokrassas

Hanson – Genesis invited Sebastian Cohen

Hanson – Genesis invited Colin Farrell

 **Hanson – Genesis** 09:04
Hi @SteveSokolowski adding a few folks from our trading team as discussed if you ever need a quote. As a reminder you can also use the RFQ system on the online platform as well

SS Steve Sokolowski 09:04
ok, thank you!

6 May 2021

SS Steve Sokolowski 22:26
does Genesis require 12,000 confirmations for ETC like Bittrex does? the hashrate of ETC has tripled, so surely 51% attacks are unlikely at this point

CF Colin Farrell 22:28
Hi Steve

ETC has been a tricky one for us all week 22:28

the network as you know is quite slow and has taken several thousand confirmations before hit both wallets and exchange 22:28

what are you trying to do? 22:29

SS Steve Sokolowski 22:29
if ETC gets above \$250, change 2300 to BTC and create an open term BTC loan

if Genesis can't do it, that's fine, but I want to get it on chain so the confirmation clock at Bittrex starts running in case there is a price spike 22:30

CF Colin Farrell 22:30
so we would be subject to the same confirmations they would

you would transfer the ETC to Genesis and then we would have to send out to exchange to begin working the order 22:30

SS Steve Sokolowski 22:31
ok, thanks – I'll look at prices in the morning

CF Colin Farrell 22:31
this could take upwards of 36hrs. to do

sounds good Steve we'll be here 22:31

SS Steve Sokolowski 22:31
I think the delays are why ETC is so volatile

CF Colin Farrell 22:31
that's exactly it

Steve Sokolowski

- SS** the people buying in don't know about how Nicehash and the 51% attacks worked 22:31
- have a good night! 22:31
- CF** **Colin Farrell** 22:32
- you too sir!

14 May 2021

Steve Sokolowski invited Chris

Steve Sokolowski invited James Webster

Steve Sokolowski changed group title to «Cryptocurrency Management LLC <> Genesis»

- H** **Hanson – Genesis** 09:33
- Hey Steve
- SS** **Steve Sokolowski** 09:33
- hey, I added James and Chris to this group
- H** **Hanson – Genesis** 09:34
- see that ty, do you want to begin the process of closing out the personal ETH loan today?
- and rerolling it into the new entity 09:34
- SS** **Steve Sokolowski** 09:34
- yes – but I don't have the exact numbers yet
- and my brother works the night shift so he won't be up until 1:00pm 09:34
- can it be done in the afternoon or is that too little time 09:35
- H** **Hanson – Genesis** 09:35
- no problem, we can begin the return of the funds we have in your personal name now and once you have the exact numbers begin the re-writing of the term sheets for the entity
- SS** **Steve Sokolowski** 09:35
- could you just transfer the money between accounts?
- I don't want to waste \$140 in fees 09:35
- H** **Hanson – Genesis** 09:35
- legally we cannot do that

- SS** **Steve Sokolowski** 09:36
 ah, that stinks, that's a lot of money
- could I sign a contract and give it to you that authorizes you to do that? 09:37
- like a simple form that states "I authorize Genesis Trading LLC to transfer the X ETH from Steve Sokolowski's personal account to the account of cryptocurrency management LLC," signed by me? 09:38
- H** **Hanson – Genesis** 09:41
 In reply to [this message](#)
 Hey Steve going to revert to our legal team on this to see if we can accomodate, might take a bit please bear with us for a few
- SS** **Steve Sokolowski** 09:42
 ok, no problem – that would save Genesis a lot of money too
- we're paying \$1000 in fees every day paying our customers 09:42
- and the last ETH block we found had \$35,000 in fees 09:42
- H** **Hanson – Genesis** 12:03
 Hey [@SteveSokolowski](#) so just got final clarity from our legal team, unfortunately we cannot facilitate the transmission of these funds from your individual account to the business entity – we are not set up with the proper legal framework/license to do so.
- Can you provide an address for us to send the ETH back to you and we can begin the process this afternoon 12:03
- SS** **Steve Sokolowski** 12:52
 ok, I need to set up a secure way to do that, so give me a little while
- H** **Hanson – Genesis** 12:55
 Sounds good no worries
- SS** **Steve Sokolowski** 13:23
 [REDACTED] 34CC
- this address is in the Genesis dashboard to confirm 13:23
- the new loan term sheet should be the amount of the previous loan plus interest plus 19.653248462000001024 13:24
- H** **Hanson – Genesis** 13:24
 Thanks, [@DanGenesis](#) can you assist on closing and returning the ETH for Steve's personal account above

SS Steve Sokolowski 13:24
so you can get a new ETH loan term sheet prepared and I will have the BTC amount within 15m

Deleted Account 13:25
In reply to [this message](#)
Hey Steve could you also please email this address to operations@genesiscap.co

SS Steve Sokolowski 13:26
ok, E-Mailed, but please still confirm it with the dashboard in case there is a virus on our E-Mail server I'm not aware of

Deleted Account 13:27
yes we see it on dashboard in prime as well
will confirm when email lands

SS Steve Sokolowski 13:27
to clarify, the new loan term sheet is whatever you send me plus 19.653248462000001024

Deleted Account 13:27
yes understood
Hey Steve, new termsheet will be for a total of 1341.758034542 ETH. This is inclusive of the ~19 shape above, in addition to your April compounded interest + interest you've accrued in May

Item	Units	Asset
Loan 1	1096	ETH
Loan 2	223	ETH
April Compound	1.458875	ETH
May Accrued Interest	1.645912	ETH
Cryptocurrency Management ETH	19.65325	ETH
Total	1341.758	ETH

SS Steve Sokolowski 13:37
great – that sounds good
the BTC term sheet should be for 132.46471113
but I can't predict the transaction fees for that
how do you want to deal with the fees for the BTC loan, because I know that you need an exact amount on the sheet

Deleted Account 13:44
We will just paper up the term sheet for 132.46471113 BTC and whatever amount comes through is what you will accrue interest on

Steve Sokolowski

Hey Steve, BTC rates have remained the same and as a reminder the term sheet has been signed, do please let us know when you are ready for a test transaction

-  **Steve Sokolowski** 08:48
Gemini hasn't returned our money yet
-  **Hanson – Genesis** 08:48
Understood no worries
-  **Steve Sokolowski** 08:48
we called the loan three days ago but no word from them
-  **Deleted Account** 08:59
processing the ETH to you now Steve. sending back 1320.738733 ETH which is inclusive of interest accrued over the weekend
-  **Steve Sokolowski** 08:59
ok, thanks
- then I will send everything to you this afternoon, after Chris wakes up from the night shift, and the ETH loan should be good to go 08:59
-  **Deleted Account** 09:09
great thanks
-  **Steve Sokolowski** 09:18
received 
-  **Deleted Account** 09:23
Cheers
-  **Deleted Account** 14:43
19.650098462000003 ETH landed
-  **Steve Sokolowski** 14:52
thx, will send the rest after our 3pm weekly meeting
-  **Deleted Account** 15:42
1,321.4930752539979 ETH landed
-  **Steve Sokolowski** 15:43
great, then I'll assume the ETH loan is taken care of
- the BTC is still not released by Gemini 15:43

so we'll let you know when all the current borrowers have released it 15:43

 Deleted Account 15:47
Yes ETH is all set

sounds good 15:47

Colin Farrell invited Greg Guttas Genesis

18 May 2021

 Steve Sokolowski 07:47
could you confirm receipt of the small transaction in bitcoins?

it's behind many unconfirmed in a chain, but I want to ensure the address is right 07:47

 Hanson - Genesis 07:48
Hey Steve, team should be online any minute this morning, will confirm in a few

 Steve Sokolowski 07:48
thx

 Deleted Account 07:49
I see 0.01 BTC landing

 Steve Sokolowski 08:13
great, thx

 Deleted Account 08:38
96.91670646 BTC landing now

 Steve Sokolowski 08:39
thx

 Steve Sokolowski 09:13
another 10 received - the last is still being held up by BlockFi

I'm glad to be rid of them, as they take so long with this stuff 09:13

hopefully that will be ready by the afternoon 09:13

 Deleted Account 09:14
yes see 10 btc landed. will be on the lookout for the remainder

So we owe you 1.645911530000 additional ETH 10:30

To date we have received 1341.24317371599 ETH which can also be seen in the block explorer. 10:31

<https://etherscan.io/address/>
eF08

let me know if you agree 10:31

SS **Steve Sokolowski** 10:44

I see a total of 1342.137748462

which is the number in the spreadsheet that should have been paid, plus the 19.65xxxx 10:45

so the difference is actually a little more in your favor at 0.89457474601 10:45

maybe I'm missing something but it seems as if you still are paying too much 10:46

give me a min to redo the math just to confirm 10:47

oh wait 10:50

I apologize, I see the error 10:50

the wallet wasn't empty before you sent money to it, that's my mistake 10:51

so your 1.64 is correct 10:51

can you just increase the loan balance in the portal and that would be fine? 10:51

Deleted Account 10:52

Classic mixup. Sorry for not sending right amount initially. Let me get back to you on whether or not increasing the loan balance by 1.64 eth would be ok.

SS **Steve Sokolowski** 10:52

this was complex because there was an error on both sides

sorry about that 10:52

ok, thx 10:52

Deleted Account 10:52

haha yeah my apologies as well

Unfortunately we can't transfer the ETH between entities. Will need to send the 1.64 eth back to you 11:06

SS **Steve Sokolowski** 11:08

ok

but the amount being sent back then I guess isn't the full 1.64 in that case 11:08

because only part of that is your mistake 11:08

- SS** **Steve Sokolowski** 11:37
 the "amount" page shows an ETH address instead of the amount, and people apparently are complaining about it
 but I got around it 11:37
 thanks again 11:37
- 19 May 2021
- SS** **Steve Sokolowski** 08:09
 FYI, BlockFi has not returned the million dollars they owe us
 apparently they mistakenly paid out some customers hundreds of bitcoins 08:09
- H** **Hanson – Genesis** 08:09
 Hey Steve no worries, we know they tend to take 48 hours for withdrawals
- SS** **Steve Sokolowski** 08:09
 so we may just have to go with the bitcoins we have for now
 it's been five days so far 08:10
 you can look at the news for more 08:10
 they paid 700 bitcoins to one customer 08:10
- H** **Hanson – Genesis** 08:10
 Oh wow thats a bit longer than usual, did you complete their ID verification? Sometimes they send an email requiring you to show ID/upload a picture for large withdrawals
- SS** **Steve Sokolowski** 08:10
 yep, in the past these withdrawals always took less than two days
 I don't understand how that happens – we have a simple audit system that checks if today's 08:11
 payouts are +25% over yesterday's and if so, then halt
 so I want a loan term sheet for litecoins please, I'm done with BlockFi 08:12
 I'll get you the exact number – somewhere between 5000 and 6000 08:12
 is it still 4% or can you do better in this bear market? 08:12
- H** **Hanson – Genesis** 08:13
 We can still show you 4% for LTC
- SS** **Steve Sokolowski** 08:13
 ok, I'll do the math

- their loss, your gain 08:13
- how can a company with \$10b in assets not have an audit system like that 08:14
- H** **Hanson – Genesis** 08:15
Sounds good Steve! We can get that term sheet sent out asap when you confirm the exact units
- SS** **Steve Sokolowski** 08:15
I hope they return the money
- 20 May 2021
- SS** **Steve Sokolowski** 07:08
all bitcoins now sent, please advise if any issues
- will request term sheet for open term LTC later today once BlockFi gets its messed up withdrawals out 07:09
- Deleted Account** 07:46
7.13531859 BTC well received
- SS** **Steve Sokolowski** 07:47
there's another 18 too
- Deleted Account** 07:47
18.40226693 BTC confirmed as well
- SS** **Steve Sokolowski** 07:47
great
- C** **Chris** 11:02
1400.45257401 from Prohashing
- 1975.64186718 from Chris 11:03
- SS** **Steve Sokolowski** 11:13
could you get me a loan term sheet for 5713 litecoins, open term?
- H** **Hanson – Genesis** 11:16
Hey Steve, to confirm you would like 5713 LTC at 4% open term?
- SS** **Steve Sokolowski** 11:16
yes
- what is the 1-month rate? 11:17

- MB** **Matt Ballensweig** 11:17
can do 1-mo rate at the same
- SS** **Steve Sokolowski** 11:17
open term then, thanks
- MB** **Matt Ballensweig** 11:17
sounds good, Steve – thanks!
term sheet coming shortly 11:17
- SS** **Steve Sokolowski** 17:30
test transaction sent
will send the rest once the document is signed and BlockFi returns the money 17:30
- Deleted Account** 17:34
0.001 LTC test received
- SS** **Steve Sokolowski** 17:35
thx, just waiting for notification that Genesis signed the term sheet
- MB** **Matt Ballensweig** 18:33
great working on this
- Deleted invited Conor M – Genesis
- 21 May 2021
- SS** **Steve Sokolowski** 07:40
BlockFi returned our money overnight
so we are just waiting for notification that the term sheet was signed and we can get it over to you 07:41
- Deleted Account** 07:44
Thanks Steve. I'll raise this to our signer
- SS** **Steve Sokolowski** 07:44
thanks!
- SS** **Steve Sokolowski** 13:55
hey Dan, just wanted to check in on this – since it's Friday and I have only two hours left before leaving I want to see whether Genesis has signed the contract yet

if you can't do it today then I want to move the litecoins to Celsius for the weekend 13:55

 **Hanson - Genesis** 13:55
Will get this signed and returned in a second, sorry Steve

 **Steve Sokolowski** 13:55
no problem - I figure you're probably busy with margin calls and such today

 **Steve Sokolowski** 15:45
please confirm receipt and we'll send the rest

 **Deleted Account** 15:45
1,975.43338104 ltc landed

1,420.45257133 LTC landed 15:51

and 0.20842986 LTC landed 15:51

 **Steve Sokolowski** 15:54
ok, there you go

let me know if there's anything else 15:54

 **Deleted Account** 15:56
2,316.90561777 LTC also landing now

 **Steve Sokolowski** 15:56
yep, so you should have the total now

 **Deleted Account** 15:57
yes thanks Steve

 **Steve Sokolowski** 15:58
have a good weekend

 **Deleted Account** 15:58
you too

25 May 2021

Hanson - Genesis invited Hadley Yost

14 June 2021

- SS** Steve Sokolowski 10:06
Hi, I'd like to call the June 1 interest loan of 0.09155949 bitcoins to [REDACTED] 2ZkJ – and only that one loan – to pay taxes
let me know where to send the E-Mail to confirm 10:06
- H** Hamill 10:14
hey @SteveSokolowski thanks for the note and if you can email to GGC Operations <Operations@genesiscap.co>
- SS** Steve Sokolowski 10:18
ok, sent
- Deleted Account** 11:29
test is with you
- SS** Steve Sokolowski 11:44
received
- Deleted Account** 13:44
balance with you
- SS** Steve Sokolowski 13:45
thanks for the quick service – bittrex hasn't confirmed it yet, but I'll let you know if there are any issues
- 29 June 2021
- SS** Steve Sokolowski 11:29
hi, could you send me one of your interest rate images – I'm updating my review of companies and want to make sure I have the right rates
- H** Hanson – Genesis 11:30
Hi Steve
- SS** Steve Sokolowski 11:31
in particular I was told that Genesis raised its BTC rates but it doesn't seem like the other companies are following suit, so that benefits you
- H** Hanson – Genesis 11:31
Including our updated rate table here for reference but as a reminder these are IUO and included in the MBA document is a confidentiality agreement which was signed

Genesis
A Digital Currency Group Company

BTC		ETH		USD and major stables	
Duration	Rate	Duration	Rate	Duration	Rate
open term	2.50%	open term	2.00%	open term	5.25%
1-month	2.80%	1-month	2.50%	1-month	5.50%
2-month	2.83%	2-month	2.47%	2-month	5.55%
3-month	2.80%	3-month	2.45%	3-month	5.60%
4-month	2.77%	4-month	2.43%	4-month	5.65%
5-month	2.75%	5-month	2.40%	5-month	5.70%
6-month	2.73%	6-month	2.37%	6-month	5.75%
7-month	2.70%	7-month	2.35%	7-month	5.80%
8-month	2.67%	8-month	2.33%	8-month	5.85%
9-month	2.65%	9-month	2.30%	9-month	5.90%
10-month	2.63%	10-month	2.27%	10-month	5.95%
11-month	2.60%	11-month	2.25%	11-month	6.00%
12-month	2.57%	12-month	2.20%	12-month	6.05%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$1mm
* Indicative rates as of June 28th, 2021. Genesis borrows unsecured. Rates are subject to change.

11:32



Steve Sokolowski

11:32

ok, I wasn't aware that this particular image was confidential

are your minimums public knowledge?

11:33

it appears that they are different since your last image

11:33



Hanson – Genesis

11:34

In reply to [this message](#)

Yes



Steve Sokolowski

11:34

ok, thanks



James Webster

11:43

Hi Hanson, I'd like to send some more bitcoin your way. Approximately 11.7 BTC. Is that doable, and what would be the first step?



Hanson – Genesis

11:49

Hey James

You want to add 11.7 BTC to the current balance?

11:49



James Webster

11:55

Right. 11.718...



Hanson – Genesis

11:58

Sure thing, [@DanGenesis](#) can provide BTC address for you



Deleted Account

11:59

In reply to [this message](#)

this address works



James Webster

12:05

Roger that. Will transfer soonish.

Matt Ballensweig invited Deleted Account

22 July 2021

SS **Steve Sokolowski** 07:49
good morning – what is your open term rate this week for approximately 589897 USDC?

Deleted Account 07:52
Hey @SteveSokolowski. Paying 5.25% right now on stables open term

Genesis
A Digital Currency Group Company

BTC		ETH		USD and major stables	
Duration	Rate	Duration	Rate	Duration	Rate
open term	2.50%	open term	2.00%	open term	5.25%
1-month	2.60%	1-month	2.25%	1-month	5.30%
2-month	2.65%	2-month	2.30%	2-month	5.35%
3-month	2.70%	3-month	2.35%	3-month	5.40%
4-month	2.75%	4-month	2.40%	4-month	5.45%
5-month	2.80%	5-month	2.45%	5-month	5.50%
6-month	2.85%	6-month	2.50%	6-month	5.55%
7-month	2.80%	7-month	2.45%	7-month	5.60%
8-month	2.75%	8-month	2.40%	8-month	5.65%
9-month	2.70%	9-month	2.35%	9-month	5.70%
10-month	2.65%	10-month	2.30%	10-month	5.75%
11-month	2.60%	11-month	2.25%	11-month	5.80%
12-month	2.55%	12-month	2.20%	12-month	5.85%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$1mm
Indicative rates as of July 19th, 2021. Genesis borrows unsecured. Rates are subject to change.

for reference

SS **Steve Sokolowski** 07:53
ok, thanks – I think I'll stick with Ledn until August at least – their 9.5% isn't going to last much longer

thanks for the quick response! 07:53

Deleted Account 07:54
No problem sounds good

31 July 2021

SS **Steve Sokolowski** 15:46
hi, for this month, instead of rolling over the BTC into a new loan, send this month's BTC interest only to my Bittrex account for taxes?

no changes to the other coins 15:46

I'll send you a confirmation E-Mail for the 0.1 BTC or whatever it will be to be sent to [REDACTED] 2ZKJ instead of rolling over

SC **Sebastian Cohen** 15:47
Hi Steve, will flag this for the lending team when they are back online closer on Monday

SS **Steve Sokolowski** 15:48
ok, thank you

2 August 2021

-  **Steve Sokolowski** 07:15
hi, I just wanted to get back to you in regards to my request over the weekend
- please cancel it and do the usual, which is to roll over the interest 07:15
- we made bitcoins with our business and instead of sending them to you, we will sell them and do backend accounting 07:16
- it would be great if you could reply to confirm you got the cancellation of the request 07:16
-  **Deleted Account** 07:41
Sure Steve, we will compound your interest instead of sending it to the above address
-  **Steve Sokolowski** 07:42
thank you!
-  **Deleted Account** 07:45
no problem

11 August 2021

-  **Steve Sokolowski** 15:34
hi Dan, would you consider taking 2950 ETC? we have nowhere else to put them
-  **Deleted Account** 15:35
let me check with the team
-  **Steve Sokolowski** 15:36
ok, thanks, and please get me the open term rate if so
-  **Deleted Account** 15:36
sure will be back
- Hey Steve, we currently are well supplied on ETC so unfortunately not looking for any at the moment 15:41
- Can let you know if that changes 15:41
-  **Steve Sokolowski** 15:41
ok, thanks!

31 August 2021



Steve Sokolowski

13:43

hi Dan, would you accept another 60.89 ETH on September 2, and if so, start the paperwork?



Hamill

13:45

hey @SteveSokolowski we'd be payers at 1.5% open term, but happy to paper.

Genesis A Digital Currency Group Company					
BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.50%	Open Term	1.50%	Open Term	6.25%
1-month	1.45%	1-month	1.45%	1-month	6.50%
2-month	1.40%	2-month	1.40%	2-month	6.75%
3-month	1.35%	3-month	1.35%	3-month	7.00%
4-month	1.30%	4-month	1.30%	4-month	7.15%
5-month	1.25%	5-month	1.25%	5-month	7.30%
6-month	1.15%	6-month	1.15%	6-month	7.45%
7-month	1.10%	7-month	1.10%	7-month	7.55%
8-month	1.05%	8-month	1.05%	8-month	7.65%
9-month	1.00%	9-month	1.00%	9-month	7.75%
10-month	1.00%	10-month	1.00%	10-month	7.85%
11-month	1.00%	11-month	1.00%	11-month	6.95%
12-month	1.00%	12-month	1.00%	12-month	6.75%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of August 30th 2021. Genesis borrows unsecured. Rates are subject to change.

13:45

current matrix with rates

13:45



Steve Sokolowski

13:46

hmmm, these rates are much lower than we expected

ok, give me a little while to consider it then, thanks

13:46



Hamill

13:46

sounds good



Steve Sokolowski

13:49

ok, I know that Celsius is riskier, but not 3.5x riskier, so we'll stick with them for the new deposit – but will check back with you the next time we have more profits

thanks for your time!

13:49



Hamill

13:57

Totally understood on what you're seeing away. We're just seeing our supply base increase here pretty substantially with fewer opportunities to deploy to what we deem are credit worthy borrowers. BlockFi shift to 10 bps is also sending folks our way. I hope, we can see a shift where that trend reverses and we can pass on the higher yields to clients.



Steve Sokolowski

14:02

Understood – I expect Celsius to lower the rates soon too. Every month I spend 10–20 hours researching all the providers and moving money around to take advantage of all the lowest "tiers." And we are closing our BlockFi accounts, which is funny you said that



Hamill

14:09

yea, I would expect them to lower as well. In the CeFi Lending space, I dont know where you can deploy much higher than 3.5% but they could just be in customer acquisition phase before they move rates lower.

2 September 2021

- SS** Steve Sokolowski 16:16
hi – it's time to reserve money for taxes, so I'd like to call loan 127038; where should I send the confirmation E-Mail to?
- H** Hanson – Genesis 16:17
Hey Steve
you can let us know here in the chat and email operations@genesiscap.co as well to confirm 16:17
the withdrawal details
- SS** Steve Sokolowski 16:17
I'll also note that if you want to convert it to a 6-month USDC loan and keep the funds yourself, that's fine
but I don't think you want to do such small amounts 16:17
- H** Hanson – Genesis 16:19
Correct we would return here
- SS** Steve Sokolowski 16:19
ok, I'll send the message – thanks
- Deleted Account** 16:53
Hey Steve, could you please confirm address here as well?
- SS** Steve Sokolowski 18:05
I am not home but will do so in a few hours
- SS** Steve Sokolowski 21:14
the address is 17m2UNwgPA19URt6ChnjhNs4oWJeyUqX4V.

3 September 2021

- Deleted Account** 08:12
Hey Steve, test sent
[REDACTED]
[REDACTED]0170
- SS** Steve Sokolowski 09:44
received
- hi dan, what kind of rate would you give for a million dogecoins? 09:50

H **Hamill** 09:54
hey @SteveSokolowski – at the moment, well supplied on DOGE. Dont see a lot of borrowers of the name. Seems to be a lack of arb opportunities out there, few directional shorts.
we'd pay 1.5% for it open term 09:54
we're starting to see cash demand pick up though and better yields there if something to do. 09:55

SS **Steve Sokolowski** 10:42
Ledn is giving 9% for USDC – we have about a million dollars there
I don't think you can compete with them 10:42
as to the DOGE, we'll take it – but won't have the money until next week, so I will contact you for a term sheet next week 10:43
and I will call Dan now 10:43

H **Hamill** 10:44
In reply to [this message](#)
sounds good

SS **Steve Sokolowski** 10:44
I think people figured out that DOGE is here to stay, that's why they're not shorting it
it's Robinhood's #1 asset 10:44

H **Hamill** 10:45
yea 100%, folks are scared of that one

SS **Steve Sokolowski** 10:46
in case you're interested, we mine 1% of the dogecoin network and just switched from 100% selling the blocks to 100% accumulating

H **Hamill** 10:48
In reply to [this message](#)
ahh nice, we know where to come if DOGE demand picks up
:) 10:48

Deleted Account 10:52
btc balance sent
[REDACTED]
[REDACTED]a56c

Steve Sokolowski

SS thanks a lot for your quick service! 10:52

Deleted Account TY Steve 10:52

SS **Steve Sokolowski** I'll be in touch next week after we've mined 15 more doge blocks 10:52

9 September 2021

SS **Steve Sokolowski** good morning – we're ready for the term sheet for the million dogecoins as discussed earlier in this conversation 06:21

my brother will be able to deposit them around 1:00pm today 06:21

Hamill invited Deleted Account

H **Hamill** Morning @SteveSokolowski we will get the term sheet out this morning. 07:39

SS **Steve Sokolowski** thanks! 07:43

Deleted Account doge address when ready: [REDACTED] 1 xPu 07:45

SS **Steve Sokolowski** ok, thanks – I don't have access to this wallet right now but we'll get the test to you in five hours 07:46

Deleted Account np 07:51

SS **Steve Sokolowski** [REDACTED] [REDACTED] 1361 14:43

Deleted Account see 1 doge 14:44

SS **Steve Sokolowski** great, thanks 14:44

- Chris will send the rest soon 14:44
-  Deleted Account 14:44
cool ty
-  Steve Sokolowski 14:59
 Chris 09.09.2021 14:58:58
[REDACTED]
[REDACTED]f1dd
-  Deleted Account 15:07
Hey Steve, not seeing the doge yet and when I put that hash into an explorer I am notified it is not a valid doge transaction hash
-  Steve Sokolowski 15:19
hmmm
I wonder if this is the problem that Elon Musk was talking about with the obsolete nodes dropping some transactions 15:19
we'll look into it 15:19
-  Deleted Account 15:20
Ty Steve. We will let you know if we see it come through
-  Steve Sokolowski 16:01
[REDACTED]
[REDACTED]5a42
it seems like the old version dogecoin clients drop txs with a fee below a certain threshold 16:01
so even though the blocks weren't full, it was dropped – this one seems to have been relayed 16:01
-  Deleted Account 16:07
yes we've received 999999.00001024 doge
-  Steve Sokolowski 16:08
great – thanks
- 16 September 2021
-  Steve Sokolowski 15:49
hey, any movement on your ETH interest rates?
or, are you still at 1.5%? 15:49

-  **Hanson – Genesis** 15:49
Hey Steve no movement upwards at the moment
-  **Steve Sokolowski** 15:52
ok,, I'm going to send an E-Mail calling two of the smaller bitcoin loans to convert to ETH at Celsius
-  **Hanson – Genesis** 15:53
Sure [@DanGenesis](#) will assist with the withdrawal
-  **Steve Sokolowski** 15:53
the same thing is probably happening with your other customers – converting BTC to ETH
at least that's what I hear the trend is 15:53
let's do loans 122211 and 124612 15:54
I'll send the confirmation now 15:54
is there some way to get on a list to be notified when your ETH rate goes up? 15:58
that way, I don't have to ask you every week 15:58
like a mailing list or something 15:58
even if you simply have a list that sends out those images every week, that would be fine 15:58
-  **Hanson – Genesis** 16:01
Hey Steve we tend to take a look at rates on a weekly basis but well supplied on ETH at the moment. If market conditions change I will keep you updated there
if we see the 1.5% level again 16:01
-  **Steve Sokolowski** 16:01
ok, thanks, that's fine then
- 17 September 2021
-  **Steve Sokolowski** 06:04
I tried to send the request to operations@genesiscap.io, but that message bounced – do you know where I should be sending it?
-  **Deleted Account** 07:39
gm steve
operations@genesiscap.co 07:39

 Deleted Account 10:58
btc out
[REDACTED]
[REDACTED]7b3e

 Steve Sokolowski 11:07
great – will check after confirmation

 Steve Sokolowski 11:36
all set – thank you!

29 October 2021

Hanson – Genesis invited Josh Barkhordar

 Hanson – Genesis 11:44
Hey @SteveSokolowski how is it going? Wanted to see if you had any ETH or ETC to lend out?
We also rolled out a daily market commentary email, feel free to sign up here if you would like and have not already <https://genestrading.com/market-updates/> 11:45

 Steve Sokolowski 11:46
what rates do you have?
we're creating a Celsius application for ETC right now but will stop that if your rates are good 11:47

 Hanson – Genesis 11:47
How many units do you have for ETC?

 Steve Sokolowski 11:48
I don't have access to that data right now – I seem to recall it was something like 5000 to 10000
I know that's a wide range so I'll have to run a query 11:48
my brother is too sick to get out of bed after a 3rd dose of Moderna so I apologize 11:49
we'll get back to you later today if we can 11:49
what is the rate if we had 7500? 11:49

 Hanson – Genesis 11:49
In reply to [this message](#)
we can do 8% for the ETC open term
In reply to [this message](#) 11:49
ah sorry to hear that, hope all is well

- SS** **Steve Sokolowski** 11:49
wow, that blows away Celsius
- ok, well we'll definitely take that; I can also withdrawal from Celsius too 11:50
- let's talk in a few hours 11:50
- H** **Hanson – Genesis** 11:50
thanks Steve
- SS** **Steve Sokolowski** 11:50
the business also has 100 ETH that we were going to put to Celsius when you were only offering 1%
- is that higher now? 11:50
- H** **Hanson – Genesis** 11:51
Moment here
- SS** **Steve Sokolowski** 11:51
and five more bitcoins – what rate for that
- H** **Hanson – Genesis** 11:53
We can do the 100 ETH at your current rate, 3.5% OT
- In reply to [this message](#) 11:53
we can match your current rate of 2% for the additional BTC
- SS** **Steve Sokolowski** 11:53
ok, great – then we'll be in touch later today
- H** **Hanson – Genesis** 11:53
Thanks Steve, we will be here
- SS** **Steve Sokolowski** 11:53
thanks for contacting us
- H** **Hanson – Genesis** 11:53
Always! Appreciate your business
- SS** **Steve Sokolowski** 12:30
Hanson, do you want BCH?
- what rates for that? 12:30

- H** Hanson – Genesis 12:31
Hi Steve, how many units do you have available to lend?
- SS** Steve Sokolowski 12:31
again, it's an estimate, but I'd say probably 350 or 400
- H** Hanson – Genesis 12:32
hmm okay, I think for now we would just be looking for ETC and the BTC/ETH
- SS** Steve Sokolowski 12:32
and also, we have about a million USDC, which BlockFi is giving a promotional rate of 9% for
can you beat that? 12:32
- H** Hanson – Genesis 12:32
In reply to [this message](#)
we can do 9.25% OT
- SS** Steve Sokolowski 12:32
wow
- H** Hanson – Genesis 12:32
:)
- SS** Steve Sokolowski 12:32
ok, then we'll definitely be back to you
- H** Hanson – Genesis 12:32
great!
- SS** Steve Sokolowski 13:38
ok, so we have more ETH and less ETC/BTC than before – 120 ETH, 3450 ETC, 3.4BTC, and I'm
waiting to hear back from Ledn about the USDC because they might outbid you
we're happy with the rates you gave if you want the three coins 13:38
- H** Hanson – Genesis 13:39
120 ETH – 3.5% OT
3450 ETC – 8.0% OT
3.4 BTC – 2.0% OT
USDC – can improve to 9.5% OT and get it done now with everything else since the ETC/BTC a bit
smaller
Would want to do above all together preferably 13:40

- SS** **Steve Sokolowski** 13:40
we can send you the ETH immediately
- the others would need to wait for Celsius to process, which I think they only do on weekdays and after security checks 13:40
- and I don't want to commit to the dollars yet until I've heard from Ledn 13:41
- Mauricio often surprises us with his offers 13:41
- H** **Hanson – Genesis** 13:44
Hey Steve we can proceed with the ETH now but will want to hold off on the ETC/BTC and think about rate given size if the USDC is not involved
- Our team can process that term sheet for you now on the ETH 13:45
- SS** **Steve Sokolowski** 13:45
ok, that's fine
- send me the documents and we'll get that going 13:45
- H** **Hanson – Genesis** 13:45
Sounds good will do
- Thanks Steve 13:45
- Let us know on the others when you can 13:46
- SS** **Steve Sokolowski** 14:26
got the document – once you sign, we'll send the money
- confirming the address listed on your website, 14:32
[REDACTED]eF08
- H** **Hanson – Genesis** 14:35
In reply to [this message](#)
- thanks Steve will push to get our team to countersign
- SS** **Steve Sokolowski** 14:35
they already did
- no need to 14:35
- H** **Hanson – Genesis** 14:35
Perfect
- SS** **Steve Sokolowski** 14:35
just confirming that's the correct address and then I will have Chris send

H Hanson – Genesis 14:35
@conorgenesis can you please confirm?

CM Conor M – Genesis 14:37
In reply to [this message](#)
[redacted] eF08 confirmed

SS Steve Sokolowski 14:38
thanks

SS Steve Sokolowski 14:56
C Chris 29.10.2021 14:55:46
<https://etherscan.io/tx/>
[redacted]
[redacted] 47c8

Deleted Account 15:00
well received

30 October 2021

SS Steve Sokolowski 14:44
I'm getting back to you about the offer you made yesterday

if you still are willing to make the deal, here's what we can do: 14:45

775000 USDC at 9.5% 14:45

3642 ETC at 8%

4.3 BTC at 2%

it would take about 2 days from the time you agree because I need to request withdrawals from your competitors 14:45

31 October 2021

H Hamill 09:04
hey @SteveSokolowski that works for us

we can draft paperwork on Monday 09:04

SS Steve Sokolowski 09:06
great – thanks – I'll start the withdrawal process

Steve Sokolowski

SS Also, when you get in tomorrow, please let me know how often you want me to send you more ETH – our pool is set to 100% ETH reserve now, and we're probably averaging about 20 per week that builds up in a cold wallet. Tell me what minimum lot size you want before each deposit. 11:07

H **Hamill** 15:20
In reply to [this message](#)
K will sync with [@hansongenesis](#) here

1 November 2021

H **Hanson – Genesis** 10:07
Hey [@SteveSokolowski](#) we would prefer 80–100 ETH lots at least so looks like that is 1x a month approximately

With your current pool size 10:08

SS **Steve Sokolowski** 10:08
ok, great, I'll let you know when there is that much

H **Hanson – Genesis** 10:08
In reply to [this message](#)
thanks, we are getting the term sheets out for these as well this morning

SS **Steve Sokolowski** 10:09
great – when you do, I will add those addresses to Celsius and Ledn, as their safelists require a "cooldown" period

just to warn you it may take a few days for them to process those withdrawals 10:09

H **Hanson – Genesis** 10:10
[@DanGenesis](#) can you please confirm addresses for Steve for above

to begin whitelisting 10:10

USDC/ETH/BTC/ETC 10:10

SS **Steve Sokolowski** 10:10
don't need ETH, there is none in this batch

just the other three 10:11

H **Hanson – Genesis** 10:11
ah sorry see that ETH above was done on Friday

Deleted Account 10:14

USDC: [REDACTED]eF08
ETC: [REDACTED]06A7
BTC: [REDACTED]2uSu

-  **Steve Sokolowski** 10:16
thanks – will start that process right now
-  **Deleted Account** 10:17
thank you

2 November 2021

-  **Steve Sokolowski** 16:18
there's been a delay – the address you sent for ETC doesn't match between the term sheet and what's posted above

I need to leave right now but could you confirm before tomorrow which one is correct? 16:19
we'll need to update Celsius, which will trigger another cooldown 16:19
sorry about the trouble – have a good evening! 16:19
-  **Deleted Account** 16:21
Hey Steve, lets use
[REDACTED]06A7 (the one in term sheet) sorry for the confusion
-  **Steve Sokolowski** 16:22
ok, that's the one that isn't in Celsius, so it will be another 24 hours

I'll update it – thanks 16:22
-  **Deleted Account** 16:23
Np thank you Steve. Confirming both would work on our side but agree it's best to use the one on our term sheet
-  **Steve Sokolowski** 16:23
also, could you make the USDC address appear in the addresses on the website?

I just want to make sure it's there because anyone can compromise a Telegram account 16:23
-  **Deleted Account** 16:24
done
-  **Steve Sokolowski** 16:24
thanks – have a good evening!

[REDACTED]
[REDACTED]afcf
[REDACTED]
[REDACTED]a757

5 November 2021

- SS** **Steve Sokolowski** 07:06
with the other two coins – they have been submitted withdrawals to Ledn for several days now; they should go directly to you as soon as Ledn finally processes them, and I'll let you know when they do if you don't notice first
- GG** **Greg Guttas Genesis** 07:07
thanks for the update Steve
- Deleted Account** 14:06
received 2 txs totaling to 2.06427251 btc just now
- SS** **Steve Sokolowski** 14:09
great – then all 4.3 btc should be with you, let me know if it isn't
- Deleted Account** 14:10
yes we've received a total of 4.29868404 btc
- SS** **Steve Sokolowski** 14:10
great – thanks
- still waiting on Ledn to send the rest, but hopefully they'll process it soon given that they just did the BTC 14:10
- SS** **Steve Sokolowski** 14:34
in case you didn't notice this, you have a "pending" loan, 132339 , which is an error because the money is already listed as two separate active loans
- Deleted Account** 14:35
cleaned up
- SS** **Steve Sokolowski** 14:35
great!
- Deleted Account** 14:37
received 701459.861406 usdc
- Steve Sokolowski**

- SS

excellent – I'm guessing they will process the other withdrawal soon

14:39
- Deleted Account

got 77974.648775 usdc

14:54
- Deleted Account

thanks steve

14:54
- SS

Steve Sokolowski

that's great, let me know when you need more ETH and we'll be glad to help

14:57
- Deleted Account

thank you Steve!

15:01

25 November 2021

- SS

Steve Sokolowski

Hi – could you tell me what you can offer as an alternative to a traditional mortgage using the assets in the account as collateral? About \$300,000 is needed – thanks!

06:54
- H

Hamill

hey [@SteveSokolowski](#) – We're currently lenders of USD at 9.75%, open term, 1.5x–2.0 secured (LTV subject to credit underwriting and risk sign off), we'd need to collect some information.

We have a min loan size of \$2mm, but happy to make an exception for you. We generally don't lend past 1–year, since rates are a bit volatile in the space but curious to hear what you're looking for.

07:36
- SS

Steve Sokolowski

I'm just looking around at various ways to buy a home, as I never plan to sell or pay capital gains taxes on my bitcoins

07:37
- I know that Abra is offering zero interest but their LTV ratio is 10%

07:38
- Thanks for your response and happy thanksgiving – I'll get back to you once I've looked around

07:38
- H

Hamill

In reply to [this message](#)

got it – my rate is better, but i showed you more competitive LTV.

07:41
- In reply to [this message](#)

happy to brainstorm. Happy Thanksgiving!

07:41
- SS

Steve Sokolowski

ah, I see – for the same LTV they would indeed have a worse rate

07:42

H **Hamill** 07:42
In reply to [this message](#)
correct

SS **Steve Sokolowski** 07:43
ok, well I'll try the traditional banking system first, but expect that because I have years with \$40,000 and years I make \$2m, they will not find that being a stable job

I'll keep in touch this weekend, you do seem to have the best rates secured against coins 07:44

H **Hamill** 07:46
sounds like a plan. let us know if we can help

SS **Steve Sokolowski** 07:46
thanks will do!

1 December 2021

JW **James Webster** 16:02
Hi, I'm trying to reconcile our spreadsheet compared with the September EOM balance and can't account for 1000.00 bits

My guess is that the withdrawal on 9/3/2021 has a miner fee that is not being accounted for on our side. 16:02

Our records show 0.24465283 BTC going out of the account, but I'm guessing that in reality the account went down 0.2446[6]283 because of the miner fee. Could you guys confirm that? I know it's a small value, but I'd like to get it right. 16:05

Deleted Account 16:06
hey James, that's confirmed

this address is specific to cryptocurrency mgmt <https://www.blockchain.com/btc/address/> [redacted]2uSu 16:06

you can see the address has received 148.46297602 btc total 16:06

if we factor out compounded interest, thats the exact amount of principal we're borrowing 16:07

JW **James Webster** 16:38
Thank you, that is very helpful.

Deleted Account 16:39
np. for further clarification the compounded interest ids are 132536, 129599, 135508. so the sum of all other btc loans = amount received on that address

2 December 2021

- SS** **Steve Sokolowski** 13:05
Hi Dan, just wanted to let you know that I'm going to call one of the BTC interest loans for taxes and will send an E-Mail; if you prefer, you can change it to USDC at the prevailing rate and hold it yourself for the next six months rather than it going to Celsius
I'll send the E-Mail now 13:05
- Deleted Account** 13:05
Sounds good Thanks Steve
- Deleted Account** 13:33
Hey Steve, is your intent to sell the BTC for USDC and lend to Genesis? I know you said your preferred option would be to do this all through Genesis, however the proceeds of this sale would be below our minimums. We would love to help you out but recently we're trying to adhere to minimums.
We have internal policies set in place where regulators look to see if we are following said policies. 13:33
so it's unlikely that our legal team would be able to approve a term sheet for ~20k usd borrow 13:34
- SS** **Steve Sokolowski** 14:33
do you want more USDC?
what is the minimum? 14:33
actually, don't worry about it 14:34
just send it to Bittrex then and we can do more USDC when the next batch of ETH comes 14:34
- Deleted Account** 14:35
ok thanks for understanding
- SS** **Steve Sokolowski** 14:35
no problem
just thought you might not want money going to Celsius but I didn't realize it was a legal issue 14:35
- Deleted Account** 14:39
appreciate the gesture
btc on the way. txid 14:51
[REDACTED]
[REDACTED]be05

- SS** **Steve Sokolowski** 15:40
thanks!
I know that you can pay in USD – can you in the future simply pay the BTC interest in USDC and create new loans for it? 15:40
or do you only offer USD payouts? 15:41
- Deleted Account** 15:41
In reply to [this message](#)
we can do this
- SS** **Steve Sokolowski** 15:41
great, then please pay the BTC interest only in USDC until otherwise told
keep the other coins in kind as now 15:41
- Deleted Account** 15:42
Understood. We will send a termsheet to consolidate all btc loans into one tranche that accrues in USDC
I see as 148.96031848 BTC 15:42
- SS** **Steve Sokolowski** 15:42
great, thanks
- 9 December 2021
- SS** **Steve Sokolowski** 06:25
I'd give 60 ETH for you at 3.5% open term if you'd like
can do it this morning after I get back in an hour 06:25
stepping away but will be back later 06:26
- GG** **Greg Guttas Genesis** 06:27
hey Steve, will flag the lending team for you here
- SS** **Steve Sokolowski** 06:27
ok, great
that's the terms you've been giving for a while, so I'd just like the same terms and if that's ok, they can send a term sheet while I'm away 06:27
- GG** **Greg Guttas Genesis** 06:28
got it



Deleted Account

06:54

Hey Steve- we can show 1.5% on open term currently.

Genesis
A Digital Currency Group Company

BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.50%	Open Term	1.50%	Open Term	6.00%
1-month	2.00%	1-month	2.25%	1-month	6.75%
2-month	2.25%	2-month	2.50%	2-month	7.00%
3-month	2.75%	3-month	2.75%	3-month	7.25%
4-month	3.00%	4-month	3.00%	4-month	7.50%
5-month	3.25%	5-month	3.25%	5-month	7.75%
6-month	3.00%	6-month	3.00%	6-month	8.00%
7-month	2.75%	7-month	2.75%	7-month	7.75%
8-month	2.55%	8-month	2.55%	8-month	7.50%
9-month	2.45%	9-month	2.45%	9-month	7.25%
10-month	2.35%	10-month	2.35%	10-month	7.00%
11-month	2.25%	11-month	2.25%	11-month	6.75%
12-month	2.15%	12-month	2.15%	12-month	6.50%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of December 6th 2021. Genesis borrows unsecured. Rates are subject to change.

06:54



Steve Sokolowski

07:51

ok, that's too low, then

let me know when the rates go back up and we'll move them from Celsius to you

07:51



Deleted Account

07:51

Sounds good. We are pretty full on ETH at the moment but will let you know when that changes



Steve Sokolowski

07:52

ok, thanks

16 December 2021



Deleted Account

09:34

Hey Steve- we are looking to adjust the rate on your ~1300 eth loan to Genesis as we have seen demand to borrow subside recently. We can pay 2% OT or 2.75% 6 month FT at the moment. Please let us know if either works for you



Steve Sokolowski

09:40

ok, I need to talk to my brother about whether we would just like to withdrawal

can I talk to him later today?

09:41



Deleted Account

09:41

Understood. Please let us know

In reply to [this message](#)

09:41

Sure thing



Steve Sokolowski

09:43

if some of it were converted to USDC, how much would you pay?



Deleted Account

09:44

- 5% open term
- SS** **Steve Sokolowski** 09:44
oh wow, these rates are down across the board
- business must be really bad for Genesis right now 09:44
- ok, I'll get back to you later today, that 5% isn't high enough either 09:45
- Deleted Account** 09:45
No issue with business. We are seeing rates down across the board and very oversupplied on assets.
- SS** **Steve Sokolowski** 09:46
ah, ok – with rates so low I thought that indicates that you can't earn as much on the spread between lenders and borrowers – my mistake
- Deleted Account** 09:48
We can give a slight bump to the rates we showed if that helps
- SS** **Steve Sokolowski** 09:51
you said that USDC was 5% – does that mean that I can now borrow USDC for less than the 9.5% you quoted me a few weeks ago?
- Deleted Account** 09:51
We can lend at 8%
- SS** **Steve Sokolowski** 09:52
ok, thx, will discuss after my brother wakes up
- Deleted Account** 09:52
Sounds good
- SS** **Steve Sokolowski** 09:54
the issue my brother is going to have is how Celsius is still able to offer then 3.5% rate
- Deleted Account** 09:54
Understood. Celsius also carries different counterparty risk than Genesis
- SS** **Steve Sokolowski** 09:54
maybe you can explain what risk Celsius is taking that you're not
- I know there are the tokens they have, but are they lending to different people? 09:55

 Deleted Account 09:56
I do not want to speak ill of our competition but a google search should highlight some risks surrounding them

 Steve Sokolowski 21:00
I talked with Chris – would you take 2.5% for an open term loan?
you can respond in the morning – have a good night 21:00

 Deleted Account 21:03
That works. Thanks Steve. Will send a new ts in the AM

17 December 2021

 Steve Sokolowski 06:23
and also, let me know whether you would like to add 65 more ETH when you write up the new ETH term sheet, as we can provide that to you today

 Steve Sokolowski 07:21
I deleted three messages you should ignore – we'll be fine with what they said until February
so the only message to worry about is if you can increase the loan amount in the term sheet 07:21
by 65 ETH – thanks

 Deleted Account 07:27
Sure that works

 Deleted Account 08:06
Seeing 1553.96460639 as the new total if you include the 65. Let me know if you agree

 Steve Sokolowski 09:47
sounds great

once you get the term sheet with the address, I'll have Chris send the money 09:48

 Steve Sokolowski 10:33
money sent, and awaiting your signature 

 Deleted Account 10:37
64.99790 eth received
we will countersign shortly 10:37

 Steve Sokolowski 10:38
sorry for the math error – it's difficult to get the fees right

 Deleted Account 10:38
np we will borrow what we received

20 December 2021

 Steve Sokolowski 12:52
could you give me a quote for, say, five more bitcoins?

 Deleted Account 12:52
Are u looking to lend?

 Steve Sokolowski 12:52
yes, open term

 Deleted Account 12:52
1.5% open term

 Steve Sokolowski 12:53
ok, thanks, will let you know if we decide to accept

21 December 2021

 Steve Sokolowski 11:22
could you tell me about the interest rates for some of the ETH competitors?
are they better than 1.5%? 11:22
like solana or cardano or polkadot? 11:23

 Deleted Account 11:24
we can do 4% ot on solana, dot we can't borrow at the moment

 Steve Sokolowski 11:24
hmmm, I like that
and if we sent you several bitcoins, you could turn them into solana and start the loan? 11:25

 Deleted Account 11:25
yes we can facilitate a pair trade. Minimum trade size is 250k notional

 Steve Sokolowski 11:26
ok, I think there are only 5 bitcoins so let me see if I can get more together and will get back to you

- thanks!

11:26
- 

Deleted Account

sure thing

In reply to [this message](#)

sry missed cardano question. we can pay 5%

11:26
- 

Steve Sokolowski

ok, thanks

11:38
- 

Steve Sokolowski

ok, thanks

11:39

7 January 2022

- 

Steve Sokolowski

I want to be ready – if a liquidation cascade starts today or tomorrow and we see prices around \$29,000, will Genesis be available to convert large amounts of USDC into BTC or ETH?

or, will Genesis not do that on Saturdays or after hours?

or is there a delay?

11:17
- 

Deleted Account

we trade 24/7

11:17

Deleted invited Ravi Doshi

Deleted invited Marc Chan

Deleted invited Wee Kuo

- 

Steve Sokolowski

great – and what about the USDC that is in loans right now?

11:18
- 

Deleted Account

settlement on weekends is best efforts. But you can trade whenever

11:18
- 

Steve Sokolowski

would you be able to call that and trade immediately?

or, would that require time?

11:18
- 

Deleted Account

In reply to [this message](#)

yessir

11:18

-  **Steve Sokolowski** 11:18
great – so just to be clear, I could say "please convert \$250,000 USDC at the going rate to bitcoins and make that a new loan" and you could do that in short time?
-  **Deleted Account** 11:19
yes no issue. request for quote process is slightly different. But essentially yes
-  **Steve Sokolowski** 11:19
ok, great – could you send me documentation about how to make that request?
so I can be prepared if the opportunity happens? 11:19
is it an E-Mail to a different address or is there a form? 11:20
-  **Deleted Account** 11:21
just checked and you're only approved for Lending. We would need to issue a triparty agreement and enable you for trading as well. Will circle up with sales to get the process started. they will be in touch
-  **Steve Sokolowski** 11:21
great – thanks
and also, are you able to withdraw USDC to bank accounts 1:1? 11:22
like Coinbase does? 11:22
-  **Deleted Account** 11:22
In reply to [this message](#)
yes
-  **Steve Sokolowski** 11:22
great – thanks
is there a minimum amount to do that? 11:22
-  **Deleted Account** 11:22
250k
-  **Steve Sokolowski** 11:22
thx
-  **Hanson – Genesis** 11:38
Hey Steve
We will just need to unlock your account and you select "trading" as a product and resubmit. 11:39
Will start that now

TriParty has already been signed so all good 11:39

SS Steve Sokolowski 11:40
 ok, great
 I'd like to get a bank account in there at some point – would you need me to create an account in the LLC's name, or can you withdrawal directly to the person who owns those funds 11:40

H Hanson – Genesis 11:42
 You will need to have a bank account in the name fo the entity we have onboarded so the LLC yes
 We cannot send funds to a personal account 11:42

SS Steve Sokolowski 11:45
 ok, thanks
 your company is welcome to message or call me if a liquidation cascade happens this weekend and I don't notice it 11:47

H Hanson – Genesis 11:54
 Thanks Steve, the account is now unlocked for you to select trading and resubmit so you will be all set up when you wish to trade

SS Steve Sokolowski 11:54
 great – thanks for doing this all

10 January 2022

SS Steve Sokolowski 09:44
 I started to fill out the trading application, but it asks me for a bank account, which I probably won't have until after this crash happens
 is there a way that you can forward the application process past that, like you did when I signed up with the lending application? 09:44

H Hanson – Genesis 09:45
 We will need a bank account on file to settle trades (unless you want to use USDC). If you do not have one yet if you can upload something else in the interim I will make a note to our onboarding team

SS Steve Sokolowski 09:46
 I only want to do USDC and BTC
 it will just be change USDC to BTC if price gets to \$36,000 and then back when price recovers 09:46
 don't need bank accounts 09:46

- H** Hanson – Genesis 09:47
In reply to [this message](#)
This is a standard part of our onboarding procedure but I will make a note here given the entity was already approved. Please resubmit when you are able to and let me know
- SS** Steve Sokolowski 09:48
I can't get past that part because it provides error messages looking for a bank account number
I will definitely get an account started though 09:48
I just don't know if it will be ready during this crash 09:48
- H** Hanson – Genesis 09:48
In reply to [this message](#)
You can upload "N/A" or something in the interim
- SS** Steve Sokolowski 09:48
ok, thx
ok, I submitted it, let me know if anything else needed 09:50
- H** Hanson – Genesis 09:52
Thanks Steve
- H** Hanson – Genesis 10:53
Hey @SteveSokolowski you are all set to trade with us, let us know if you need anything
- SS** Steve Sokolowski 11:27
thanks – but when I log in, it takes me to the "onboarding" page again
- H** Hanson – Genesis 11:30
In reply to [this message](#)
checking with our support team on this one moment
- Hanson – Genesis invited Deleted Account
- H** Hanson – Genesis 11:36
Thanks Steve, all set now. If at anytime you need a quote you can also use this chat here our trading desk is all here
- SS** Steve Sokolowski 11:36
ok, thanks – I'm hoping that wasn't the bottom, and if it was not, I'll be in touch
I'm waiting for \$38,000 or below 11:37

I'm doing some budget reconciliation and noticed that loan 139077 is listed with asset type "USD" 11:47

whereas the others are "USDC" 11:47

is that an error? 11:47

 Deleted Account 11:48
we treat usd/usdc as 1:1 so no issues on our end

 Steve Sokolowski 11:48
ok, great, that's fine, thx

 Deleted Account 11:48
In reply to [this message](#)
this was compounded interest

 Steve Sokolowski 11:48
I understand, I just wanted to make sure there was no difference

 Deleted Account 11:48
confirmed no difference

 Steve Sokolowski 11:48
what tax forms, if any, will Genesis provide?

are you going to provide 1099-INT? 11:49

 Deleted Account 11:49
In reply to [this message](#)
yes

 Steve Sokolowski 11:49
ok

21 January 2022

 Steve Sokolowski 07:53
I just want to clarify this – if I click the "RFQ" button, the sale isn't finalized until I click a second button to accept?

I just want to compare your prices at first, and I can do that with an RFQ but not going any further? 07:53

 Deleted Account 08:10

- In reply to [this message](#)
- yes that's correct. you have the option to accept or reject; you can also submit a counter or withdraw the request
- SS** Steve Sokolowski 08:12
ok, thank you
- 24 January 2022
- SS** Steve Sokolowski 08:11
does Genesis pass on the network transaction fees to customers when a loan is called?
- MP** Michael Paleokrassas 08:12
Hey Steve – when genesis sends coins we eat fees – both trading and lending
- when we receive coins we expect the same thing 08:12
- SS** Steve Sokolowski 08:12
understood – I'm doing some accounting, thx
- MP** Michael Paleokrassas 08:12
of course – ping us with any questions
- SS** Steve Sokolowski 10:23
it's time to pay taxes, so I'm sending a message to call \$20,000
- E-Mail sent, address 10:23
[REDACTED]d252 to confirm
- Deleted Account** 10:24
We will get that out to you today
- SS** Steve Sokolowski 10:24
thanks
- Deleted Account** 11:13
test sent txid
[REDACTED]
[REDACTED]d87c
- SS** Steve Sokolowski 11:24
test received ✓
- Deleted Account** 11:32

 thanks for speaking with me
 balance out shortly 11:32

 **Steve Sokolowski** 11:40
 no problem, and thanks
 later this week we'll probably want more USDC and will give you some ETH if you want it 11:41
 what is your ETH rate? 11:41

 **Deleted Account** 11:42
 we are at 1% on eth currently
 open term 11:42

 **Steve Sokolowski** 11:42
 ok, thx

 **Deleted Account** 11:42
 usdc txid
 [REDACTED]
 [REDACTED]3d59

 **Steve Sokolowski** 11:42
 thank you

31 January 2022

 **Steve Sokolowski** 06:36
 good morning – I need \$33333.39 for employee salaries this month
 ([REDACTED]55ef) and I am
 going to send an E-Mail to you to confirm. Also, we have ETH available to give you, but not at the
 1% rates, so let me know if those have gone up yet
 correction – \$33339.99 06:37

 **Greg Guttas Genesis** 06:37
 hi Steve
 moment here please 06:37

 **Deleted Account** 08:22
 test txid
 [REDACTED]
 [REDACTED]27b4

- SS** **Steve Sokolowski** 08:28
I don't have access to the Coinbase account right now, but Prohashing's finance manager will be online at 9 and I will confirm then – thanks
- Deleted Account** 08:28
sure ty
- SS** **Steve Sokolowski** 08:29
Dan, do you have greater than 1% for ETH yet?
- Deleted Account** 08:29
we're still at 1% open term
- SS** **Steve Sokolowski** 08:29
ok, no problem, I'll keep waiting
- SS** **Steve Sokolowski** 08:55
received – and have my phone on for a call
- Deleted Account** 08:58
thanks for speaking. bal coming up
- txid is 09:01
[REDACTED]
[REDACTED]ac67
- SS** **Steve Sokolowski** 09:02
thanks for the quick service – the employees will be happy to be paid so early
- Deleted Account** 09:02
haha good to hear
- SS** **Steve Sokolowski** 09:02
keep in touch whenever the rates go up
- Deleted Account** 09:02
yes will do
- SS** **Steve Sokolowski** 09:03
by the way, do you have an ETA on when those 1099-NEC forms will be sent?
we can't buy a house until we receive those forms 09:03

-  **Deleted Account** 09:03
Believe it should be this week but will double check
-  **Steve Sokolowski** 09:03
ok, great – thanks!
-  **Deleted Account** 11:49
In reply to [this message](#)
should've received a few minutes ago
-  **Steve Sokolowski** 12:03
thanks – that was quick

4 February 2022

-  **James Webster** 14:35
Hello, I am reconciling the 1099-MISC sent by Genesis and have not been able to balance it yet. It would be helpful to get a source for the price used to compute USD value of interest payments. Could you send this price information or point me to the index that Genesis uses? Thanks
-  **Deleted Account** 14:39
Sure james will come back here
-  **Deleted Account** 15:16
-  **Cryptocurrency Management LLC Accrued Interest 2021.xlsx**
Not included, change data exporting settings to download.
30.9 KB
- Genesis accrues interest daily using a 4PM EST close. There is an additional day of interest in October for outstanding Digital Asset loans to align going forward. Total interest paid over the lifecycle of the loan remains the same.

-  **James Webster** 15:25
Thank you, this looks great!
-  **Deleted Account** 15:27
awesome

7 February 2022

-  **Steve Sokolowski** 11:16
hi, we determined that Genesis made an accounting error and double-paid interest for the day of October 1

the 1099-MISC form is consistent with the error 11:16

it appears to be for BTC, ETH, DOGE, and ETC 11:17

 Deleted Account 11:17
In reply to [this message](#)
please see this note

 Steve Sokolowski 11:17
ah, ok, we missed that
thanks for your note then, it looks like we can file the taxes then, everything is perfect 11:18

 Deleted Account 11:19
great

17 February 2022

 Steve Sokolowski 13:44
Hi, I'm ready to provide bank account details to add to our account
I was finally able to get one set up 13:44
who is responsible for that? 13:44

 Deleted Account 13:44
hey steve you can add these on prime
for lending/spot settlement 13:45

 Steve Sokolowski 13:45
ah, ok, I see
and those would also be available for withdrawing USDC as well? 13:45

 Deleted Account 13:46
yes we can send usdc you're lending us as fiat

 Steve Sokolowski 13:46
ok, thanks for your help

 Deleted Account 13:46
np

24 February 2022

- SS** **Steve Sokolowski** 13:16
good afternoon, Dan – I wanted to get your opinion on what Genesis is doing differently from Ledn, which lends directly to Genesis
why is Ledn shutting down, while Genesis is able to continue offering services? 13:16
- Deleted Account** 13:18
can get someone on my side more well versed in this than me to explain, but likely due to LEDN being retail facing whereas genesis strictly faces high net worth/institutional counterparties
- SS** **Steve Sokolowski** 13:18
so Genesis is not likely to follow suit?
- Deleted Account** 13:18
our service still remains per usual
- SS** **Steve Sokolowski** 13:20
ok, well I need to make a withdrawal to cover payroll of \$36,000 to [REDACTED]06bb, so I will send that in an E-Mail
- Deleted Account** 13:20
sure thing
- SS** **Steve Sokolowski** 13:20
if there is someone who can explain what is going on better, I would appreciate it
- JW** **James Webster** 13:21
On a related topic... I'm withdrawing some BTC from a different account due to this new regulatory situation. Can Genesis take some more BTC from us?
- Deleted Account** 13:21
how much are you looking to lend
- JW** **James Webster** 13:21
5 BTC
- SS** **Steve Sokolowski** 13:22
whatever James's answer is, I will probably add more, but I don't have the exact number yet
- Deleted Account** 13:23
ok pls let us know once you have a firm number. Would need ≥ 50 btc for a new borrow here

- SS** **Steve Sokolowski** 13:23
oh wow
ok, then that's too much 13:23
- H** **Hamill** 13:24
hey @SteveSokolowski happy to jump on the phone if you have time
- SS** **Steve Sokolowski** 13:25
ok, I'll await your call
in regards to the BTC, we might consider providing more 13:37
I need to do some calculations and we'll get back to you tomorrow 13:37
- H** **Hamill** 13:37
good catching up @SteveSokolowski, sounds like a plan
- SS** **Steve Sokolowski** 13:41
what would your rate be, if we gave you, say, 3 installments of 15 over the next month?
so a total of 45 to 55 13:41
the issue is Voyager's daily withdrawal limit 13:41
could you match the 2% of the other loan? 13:42
- H** **Hamill** 13:42
we can do same rates for you
- SS** **Steve Sokolowski** 13:42
ok, let me talk with James and I will get back to you
you can also call me to confirm the USDC withdrawal if you need to, I'll be available until 2:00 13:42
- Deleted Account** 14:15
usdc test txid
[REDACTED]
[REDACTED]151e
- SS** **Steve Sokolowski** 14:44
confirmed ✅
- Deleted Account** 14:50
bal sent
[REDACTED]

[REDACTED]49e8

SS **Steve Sokolowski** 14:54
thanks – have a great day, and we'll be in touch once we can get the money withdrawln
from Voyager, Ledn, and Celsius 14:54

Deleted Account 15:34
sounds good steve. take care

2 March 2022

SS **Steve Sokolowski** 13:56
Hi Dan, we're ready to provide 55.16721279 additional bitcoins as agreed in the previous
messages

Deleted Account 13:56
awesome will send term sheet

SS **Steve Sokolowski** 13:56
there may be slight losses due to wtihdrawal fees and transaction fees

Deleted Account 13:57
no worries

In reply to [this message](#) 13:57
This btc address still works

[REDACTED]2uSu 13:57

SS **Steve Sokolowski** 13:58
ok, great
will look at your website as well 13:58

Deleted Account 14:26
I see 0.765393 btc landing

SS **Steve Sokolowski** 14:33
great, more coming

Deleted Account 15:54
received 2 additional transactions

Steve Sokolowski

- SS

we've added all the money to be sent, but I can't guarantee when Ledn or Celsius will do their withdrawals

15:54
- they should keep coming

15:54
- Deleted Account**

understood

15:55

Deleted invited Deleted Account

4 March 2022

- SS

Steve Sokolowski

Ledn sent their 1.55, and Celsius is going to send it within an hour or two, so you should have all the money from this latest 55 bitcoins by 9:00am

06:26
- Deleted Account**

Thanks Steve. We received 1.55057927 btc yesterday

see 2.581053 coming in now too

08:00
- SS

Steve Sokolowski

that should be everything for this round

thanks again!

08:30
- Deleted Account**

no problem

08:34

18 March 2022

- SS

Steve Sokolowski

Hi Dan, I noticed that BlockFi will provide a \$300,000 loan for 4.5% while you quoted 9.5% for the same 50% LTV

did I misunderstand your quote, and if not, why is there such a difference?

12:04
- H

Hamill

hey @SteveSokolowski hope all is well

12:06
- SS

Steve Sokolowski

yep, things are going great – I'm just trying to figure out a way to not have to go through the complex 47-day mortgage process

take a look at <https://blockfi.com/crypto-loans/>

12:07



Hamill

12:09

I think the 1st page of the website isnt exactly quoting rates at 50% LTV

The screenshot shows a loan calculator interface. Under the heading "Select your loan parameters:", there is a dropdown for "Collateral Type" set to "BTC" and a text input for "Desired Amount" set to "\$300000 USD". A teal button labeled "CALCULATE YOUR OFFER" is below. Under the heading "Review your details:", a table lists the following information:

Collateral Amount	14.640	BTC
Monthly Payment	\$2,439.94	USD
Loan-To-Value Ratio (LTV)	50%	
Interest Rate	9.75%	
Origination Fee	\$300.00	USD

At the bottom, there are two buttons: "START OVER" and "PROCEED".

12:09



Steve Sokolowski

12:10

do you have a lower rate for higher collateral requirements?



Hamill

12:13

In reply to [this message](#)

yes, we do, but to be transparent we look to try to keep origination sizes greater than \$2mm given the underwriting involved for us here. As you know, we deal largely w/ institutions, who need defined capital needs and our cost of capital tends to be stickier. We don't auto refi our cost basis like BlockFi and as you know, everything here is negotiated.



Steve Sokolowski

12:15

ok, I understand – maybe it is better if I look elsewhere so as not to put you in a difficult position

no problem

12:15



Hamill

12:17

In reply to [this message](#)

by all means not an inconvenience, I just wanted to give some context on our rates. The rate quoted is a bit dated, but we would still be at 9% for a 50% LTV



Steve Sokolowski

12:18

ok, that is competitive for 50%, so if I want 50% I'll definitely talk to you



Hamill

12:20

In reply to [this message](#)

sounds good

Steve Sokolowski

SS ok Hamill, two questions: first, are you like Celsius, where the loan can only be repaid in full, and they only accept interest payments? 14:17

Deleted Account 14:18
we can take partial repayments

SS **Steve Sokolowski** 14:19
so if I just said take all the interest from the other coins in the account and pay back the loan until it's gone, you could do that?
and could you do, say, 8% instead of 9%? 14:19

Deleted Account 14:20
In reply to [this message](#)
we would need to change the interest structure of your current loans to us to be in usd, but yes we can net interest every month

SS **Steve Sokolowski** 14:21
ok, I would have to calculate that with James, but that's good

Deleted Account 14:21
yeah we could net interest or we could use interest you've accrued on your loans to us to pay down principal. either works

H **Hamill** 14:22
In reply to [this message](#)
9% would be best

29 March 2022

SS **Steve Sokolowski** 11:53
hi, Dan Koch (dkoch@seashorewm.com) doesn't want anything to do with cryptocurrency but is interested in lending dollars to you
is that something you're interested in? he doesn't want to have to deal with the USDC part of it, just give and be paid interest in dollars 11:53

H **Hanson – Genesis** 11:57
Hey Steve, if Dan will meet our minimums to onboard (\$10mm net worth/AUM) as well as lending minimums (\$2mm for USD) we are happy have him onboard

SS **Steve Sokolowski** 11:58
ok, then feel free to contact him – he may also be willing to form an LLC to get together a lot of money with his investment banking friends

- I told him about you and that you would contact him 11:58
- H** **Hanson – Genesis** 11:58
 Sounds good thanks Steve
 Appreciate it! 11:59
- SS** **Steve Sokolowski** 11:59
 his employer does not allow him to own cryptocurrency
 so if you want him to be a part, it needs to be strictly dollar lending 11:59
 which is all he wants to do anyway 11:59
- H** **Hanson – Genesis** 11:59
 We can do good ole regular fiat USD 👍
- Roshun Patel removed Roshun Patel
- 31 March 2022
- SS** **Steve Sokolowski** 07:03
 good morning – I just sent the following message to your E-Mail address
 Good morning! 07:03
 Please deliver \$6332 from Cryptocurrency Management LLC to Coinbase
 ([REDACTED]c77E).
 If possible, to make my accounting simpler, call all of loan #141869 and no other loans.
 Thanks!
 –Steve Sokolowski
 I'll be available for a Telegram call if confirmation is required 07:03
- Deleted Account** 09:03
 Hey Steve, sent a test via txid
 [REDACTED]
 [REDACTED]7f65
- SS** **Steve Sokolowski** 09:07
 ok, asking our finance person to check
 ok, confirmed ✅ 09:09

 Deleted Account 09:50
bal out via txid
[REDACTED]
[REDACTED]73bc

Deleted invited Deleted Account

 Steve Sokolowski 10:20
confirmed – thanks!

6 April 2022

 Steve Sokolowski 11:08
good morning, Dan – when I make the withdrawal to pay taxes, how long will it be from the time I request the withdrawal until the money is in the bank account?

do you anticipate several days to clear? 11:08

 Deleted Account 11:08
you would receive on same day typically

 Steve Sokolowski 11:08
ok, thanks, you answered my question

the legacy banking system is very slow, just wanted to check 11:09

 Deleted Account 11:09
haha np. just a reminder we need to process the wire to a bank account in the name of Cryptocurrency Management

 Steve Sokolowski 11:09
yes, I understand and opened one

 Deleted Account 11:10
perfect

13 April 2022

 Hanson – Genesis 17:52
Hey @SteveSokolowski hope all is well. Just wanted to flag you may have received a request from our auditor (Friedman) in the last few weeks. This is a legitimate request if you wouldn't mind, just need to verify some EOY balances. Its a random process every year, apologies for any inconvenience on your end

Let us know if you have any questions/concerns thank you! 17:55

- SS** **Steve Sokolowski** 18:03
ok, no problem – I'll look at it first thing tomorrow
- 3 May 2022
- SS** **Steve Sokolowski** 09:49
I'm getting notifications that my Wells Fargo password, which is unique, was compromised, and my phone isn't working
- do not respond to any messages claiming to be me 09:49
- until I contact you again somehow 09:49
- we'll have to figure out how I can verify my identity 09:49
- I'll get back to you later today 09:49
- H** **Hamill** 09:56
hey [@SteveSokolowski](#) see you here. Noted
- JW** **James Webster** 09:58
If you guys want, I can verify Steve's account when he feels like everything is alright. We are close enough to speak in person.
- H** **Hamill** 10:03
FYI – we are deactivating your account [@SteveSokolowski](#)
- SS** **Steve Sokolowski** 10:04
thx, I'm on the phone with Wells Fargo to figure it out, will get back to you later
- SS** **Steve Sokolowski** 13:17
ok, I think I figured out what happened – it was a compromised wi-fi hotspot at a hotel conference room
- so I want to change my password and then perhaps James can help assure you that I am who I am 13:17
- or I can call you on video 13:17
- through Telegram 13:17
- JW** **James Webster** 13:26
Just spoke with Steve on the phone. He confirmed verbally that his Telegram access is not compromised.
- SS** **Steve Sokolowski** 13:28

I'm going to send an E-Mail requesting a small withdrawal for James; he will confirm the amount, and I'm available for a video call if you still want confirmation

 **Hanson – Genesis** 13:29
Hi Steve see you here

 **Steve Sokolowski** 13:32
sorry for the issues Hanson

 **Hamill** 13:35
[@SteveSokolowski](#) I can give you a call in 30 minutes
just on a call 13:36

 **Steve Sokolowski** 13:36
ok

 **Hamill** 14:44
hi [@SteveSokolowski](#) good chatting. Identity verified. Your accounts have been reset.

4 May 2022

 **Steve Sokolowski** 08:08
hi Hammill, for steve@shoemakervillage.org, everything is set up and good to go
for this account at editor@shoemakervillage.org, I'm getting an invalid password, which 08:08
might mean that I didn't click "save" correctly in Bitwarden
if you sent another "reactivate" link, would that allow me to just try again with a new 08:08
password reset?

 **Deleted Account** 08:57
Hey Steve we didn't process the wire back to you yesterday given the security concerns. Could you please email lendingops@genesistrading.com with the request again. Additionally could you please provide bank ABA/Account numbers in the text of the email or in PDF format?
In reply to [this message](#) 08:58
this has been raised to our support team

 **Steve Sokolowski** 09:02
sure, will do that now

 **Deleted Account** 09:03
thank you

-  Deleted Account 09:24
In reply to [this message](#)
support has told me this has been reset
-  SS Steve Sokolowski 09:26
thanks – worked and all set
-  Deleted Account 09:26
great. we will get you the \$4897.08 today
-  SS Steve Sokolowski 09:27
thanks again, sorry for the trouble yesterday
-  Deleted Account 09:27
np
-  SS Steve Sokolowski 12:23
hi Dan, I want to make sure that Genesis understands that Chris, and then James, in that order of succession, are to control this account in the case that I die
- what paperwork does Genesis need to convey that understanding 12:24
- Ledn, for example, allows a beneficiary to be listed on their website, so I wanted to check if there is something like that here 12:25
-  Deleted Account 12:32
1 sec on this
-  SS Steve Sokolowski 12:32
ok, no rush, you can take a few days if needed
- I just want to make sure that's tied up at some point 12:32
-  Deleted Account 12:34
yeah so short answer is that we can set up Chris and James with full access to the account fairly quickly. But you would need to be the one authorizing this. Are they only supposed to have full access if you pass away?
-  SS Steve Sokolowski 12:35
my issue with having full access now is that I'm the only owner of the LLC, so I would be liable
- so I just want them to be able to manage this account if I'm not around 12:35
- if Genesis doesn't have any specific procedure, then I can just add it to a will 12:36

 Deleted Account 12:38
ok I see

 Steve Sokolowski 12:38
banks usually require you to list a beneficiary at account opening, that's why I'm asking

 Deleted Account 12:39
In reply to [this message](#)
I think this is probably best

 Steve Sokolowski 12:39
ok, thanks for your help

 Deleted Account 12:39
In reply to [this message](#)
and we can also supplement with some kind of email to compliance/operations here that states this

 Steve Sokolowski 12:40
ok, I'll do that, tahnks

12 May 2022

 Steve Sokolowski 09:59
I just wanted to get a clarification on something said above – someone said that you treat "USD" and "USDC" interchangeably in your system; is that a legal guarantee that you will deposit the number of USDC owed into a bank account if I asked for it?

there's no rush to answer and I need to go away for a bit, but whenever you can get me clarification that would be great 10:00

I don't plan to take any action on it now, I just want to know 10:00

 Deleted Account 10:02
hey [@SteveSokolowski](#)

no legal guarantee above but something we can consider and help with when requested 10:02

 Steve Sokolowski 13:39
ok, I just wanted to find out if you would guarantee the peg, which it seems like you don't – and I understand

30 May 2022

SS Steve Sokolowski 20:35
sent a withdrawal request for tomorrow – no need to reply tonight – thanks!

H Hanson – Genesis 20:35
Thanks Steve

Hope you are enjoying the long weekend 20:35

31 May 2022

Deleted Account 08:33
usdc test txid
[REDACTED]
[REDACTED]5758

SS Steve Sokolowski 08:34
thx, finance manager is looking now

SS Steve Sokolowski 08:50
received ✓

Deleted Account 08:51
Hey Steve, I'm going to call you real quick for a voice confirmation

SS Steve Sokolowski 08:51
ok

Deleted Account 08:52
thanks for speaking

Deleted Account 09:14
usdc txid
[REDACTED]
[REDACTED]9b92

SS Steve Sokolowski 09:20
thanks

2 June 2022

SS Steve Sokolowski 08:43
I'm having trouble balancing the books for this month, and I'm still looking into that, but I noticed that in the "activity" page you have listed "2022-05-31 151467 USDC Loan Return Return 133

USDC from Loan 685197.440181 USDC @ 9.50%
9.5000%
13,300.00"

is that just a typo in the description, or has that affected the recorded balances? 08:43



Deleted Account 09:15

checking that

can you send a screenshot? that sounds like a typo. I see 10,605.45 closed from loan id 147866, and 13,300 closed from your open term usdc loan 09:23

I don't know why it would be showing 133 usdc return



Steve Sokolowski 09:24



image_2022-06-02_09-24-28.png

Not included, change data exporting settings to download.

259.3 KB



Deleted Account 09:26

ok thank you for sharing this. Will raise with our tech team. I would recommend referencing the "quantity" column on far right in the mean time. Sorry for any confusion



Steve Sokolowski 09:26

ok, thanks

6 June 2022



Steve Sokolowski 09:17

in the past, you guys said you would take 50 more ETH when we had it, but now prices are half when you said that – do you still want that many?



Hanson – Genesis 09:35

Hi Steve see you here

Let me discuss with @HamilGenesis here and revert 09:35



Steve Sokolowski 09:36

ok



Hanson – Genesis 09:42

We can take the new 50 ETH at 1.50% OT if that works, have seen rates decline slightly for OT

Steve Sokolowski

- SS** ok, my brother will be up in an hour and we'll discuss and get an exact amount – thanks 09:43
- H** **Hanson – Genesis** 09:43
Cool thanks Steve, let us know
- SS** **Steve Sokolowski** 13:21
could you do 60 at 1.75%
if so you have a deal 13:21
- H** **Hanson – Genesis** 13:26
Can you meet in middle at 1.65%
- SS** **Steve Sokolowski** 13:27
one sec
ok, that's good 13:27
send the papers and we'll send the money 13:27
- H** **Hanson – Genesis** 13:37
In reply to [this message](#)
will be out in a few
are any of you going to be down at Consensus btw this week? 13:37
- SS** **Steve Sokolowski** 13:37
unfortunately not
- H** **Hanson – Genesis** 13:37
all good, next time 👍
- Deleted Account** 14:47
49.9992818 eth received
- SS** **Steve Sokolowski** 14:47
the other tx is there but unconfirmed
- Deleted Account** 14:48
ok will let you know when we see it
- SS** **Steve Sokolowski** 14:53
ok, confirmed ✅

Deleted Account 14:54
10.0007182 received

15 June 2022

SS **Steve Sokolowski** 11:27
there are rumors that Genesis has lent money to Three Arrows Capital – are those true?

H **Hanson – Genesis** 11:29
Hey Steve

How are you? Happy to chat on the phone 11:29

SS **Steve Sokolowski** 11:29
sure

I'm available whenever you are 11:29

H **Hanson – Genesis** 11:29
Will 1-1 you

Genesis
A Digital Currency Group Company

BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
open term	1.00%	open term	1.00%	open term	5.00%
1-month	2.50%	1-month	2.50%	1-month	6.00%
2-month	2.75%	2-month	3.50%	2-month	7.00%
3-month	3.00%	3-month	3.75%	3-month	8.00%
4-month	2.75%	4-month	3.50%	4-month	8.50%
5-month	2.50%	5-month	3.25%	5-month	8.25%
6-month	2.25%	6-month	3.00%	6-month	8.00%
7-month	2.00%	7-month	2.75%	7-month	7.75%
8-month	1.75%	8-month	2.50%	8-month	7.50%
9-month	1.50%	9-month	2.25%	9-month	7.25%
10-month	1.25%	10-month	2.00%	10-month	7.00%
11-month	1.00%	11-month	1.75%	11-month	7.00%
12-month	0.75%	12-month	1.50%	12-month	7.00%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$3mm
*Indicative rates as of June 13th, 2022. Genesis borrows unsecured. Rates are subject to change

Thanks for the time Steve as always we are here if you need anything. Including those updated rates for you as discussed

SS **Steve Sokolowski** 11:44
ok, thanks – I'll get back to you later

H **Hanson – Genesis** 11:44
You got it, we will be here 24/7

SS **Steve Sokolowski** 12:42
so two questions

first, do you have exposure to Tether, like having lent money to the company itself or holding reserves in Tether? 12:43

and second, I tried to place an order to buy ETH on Monday morning and it just spun and no offer was made and it cancelled – is that normal? 12:43

I think that if you tell me that you aren't holding your rainy day fund in Tether then that would make me feel pretty good 12:45

H **Hanson – Genesis** 12:45
In reply to [this message](#)

No we do not work with the company Tether. We do facilitate trades in the name but hold no directional exposure

In reply to [this message](#) 12:45

Hmm was this an RFQ online? We can quote you right here in chat if you need

SS **Steve Sokolowski** 12:46
not now – I only was willing to buy at the price then

if prices get close to \$1k or lower I'll try again 12:46

H **Hanson – Genesis** 12:46
Okay sounds good, OTC desk here in chat as well for future apologies on that

SS **Steve Sokolowski** 12:46
thanks – we stay away from Tether at all costs and have always been suspicious of it

ok, I'll contact them here next time too if it fails on the website 12:46

H **Hanson – Genesis** 12:46
Thanks Steve

16 June 2022

SS **Steve Sokolowski** 12:44
hey hanson – I'm sure Genesis's balance sheets would look better with more fixed term loans, and I can pull in more bitcoins by clearing our BlockFi accounts, but I think the risk is really high right now and 4% seems more in line for a 3 month loan of 200 bitcoins

H **Hanson – Genesis** 12:44
Hey Steve

Certainly appreciate that, would you be willing to meet at 3.75%? 12:45

SS **Steve Sokolowski** 12:45
I only have authorization for 4 right now – I would need time on that

I'll have to get back to you later 12:45

Hanson – Genesis

- H** Okay sounds good, we can do 4% for you 12:46
- Want to make sure you are hitting your target rates in this environment 12:46
- Can you let us know how much you will be pulling from BlockFi? 12:47
- SS** **Steve Sokolowski** 12:47
- 5% for 3 months of ETH, converting about 90% of the existing loan?
- I need to calculate that – I think probably 2.5 or 3 more bitcoins – but I need to keep some of them open-term in case we run short while mining 12:48
- H** **Hanson – Genesis** 12:48
- Okay, can you please confirm? Was under assumption this was 200 BTC
- SS** **Steve Sokolowski** 12:49
- oh, no we were talking about converting the existing loan and adding more
- H** **Hanson – Genesis** 12:50
- In reply to [this message](#)
- ah okay sure thing, rerate current ~200 BTC on OT to 3 month FT 4%
- just let us know the exact amount from blockfi because we need to send that TS for the new balance 12:51
- SS** **Steve Sokolowski** 12:52
- ok, I will get you all these numbers shortly
- before we talk about ETH, are you doing anything with staking and ETH? 12:52
- H** **Hanson – Genesis** 12:52
- In reply to [this message](#)
- We can do 5% here for 3 month FT on the ETH, again just let us know exactly numbers you want
- In reply to [this message](#) 12:52
- at this time no but we will look to support ETH staking out of our Cold Storage Custody product post merge
- SS** **Steve Sokolowski** 12:52
- no actually that's the answer I wanted
- I wanted to make sure none of the ETH I'm giving you is staked 12:53
- H** **Hanson – Genesis** 12:53
- ah okay haha yes we have zero exposure to stETH

- We are not taking your ETH and staking it to generate yield 12:53
- SS** **Steve Sokolowski** 12:53
 which to me seems to be the root cause of all the problems right now, because people were dumb and didn't realize the merge wouldn't unlock it
 what is the best rate you can do for dollars? if it's long term I need much higher because the Fed is going up 12:54
- H** **Hanson – Genesis** 12:55
 In reply to [this message](#)
 What rate hurdle do you have here say for 3 month FT
- SS** **Steve Sokolowski** 12:56
 if the Fed raises rates 2% total over 3 months, that means I need 2% more, or 11.5%
 otherwise I might as well just pay off my debts to Wells Fargo 12:56
- Deleted Account** 12:57
 We can do 11.5%
- SS** **Steve Sokolowski** 12:58
 ok, give me a little time because I need to figure out the worst case scenario for our payroll
 we don't want to cause layoffs as a result of locking too much up 12:58
- Deleted Account** 12:58
 okay makes sense let us know
- SS** **Steve Sokolowski** 12:58
 thx, will get back to you soon
 and would you be willing to commit to those rates for a longer term? 13:06
 not the USD rates, because that would need to be higher 13:06
 but the other two 13:06
- Deleted Account** 13:06
 preference would be to keep at 3 months ft
- SS** **Steve Sokolowski** 13:07
 ok
- SS** **Steve Sokolowski** 13:28
 to clarify, the interest is still paid monthly, so the coins can be sold for the taxes immediately?

- or does the interest get paid at the end of the loan? 13:28
-  Deleted Account 13:29
interest is paid monthly
-  Steve Sokolowski 13:29
thx
-  Steve Sokolowski 14:35
ok, these deals sound good in principle, but we won't have enough information to sign today, so hopefully you'll still be available tomorrow
- I apologize for the delay, our finance manager is calculating expenses and there are withdrawal delays from Ledn and BlockFi 14:36
- we don't want any withdrawals today so it's to your benefit anyway – have a good evening! 14:37
-  Hamill 14:45
have a good evening [@SteveSokolowski](#)
- 17 June 2022
-  Steve Sokolowski 06:57
good morning – I'm ready to deal with the ETH now – if you can do 1550 at the 5% 3-month rate discussed yesterday, and keeping the other 84 or so at the current 2.5% open-term rate, send me the sheets and we can sign that
-  Deleted Account 08:06
Morning Steve
- Sounds good will send you a termsheet 08:06
- 27 June 2022
-  Steve Sokolowski 08:01
good morning! for whoever deals with this, is it possible to set a ratio of 0.37 of our bitcoin payouts wired to our bank account, with all other bitcoin interest and other coin interest in-kind?
- if your system doesn't support that, I understand 08:01
- if there's an automated way to do it, then I don't have to contact your withdrawals team and waste their time every month to do that second step 08:02
-  Deleted Account 08:03
not something we're able to facilitate at the moment

- 

Steve Sokolowski

ok, no problem

08:04
- 

so how is our bitcoin interest being paid right now?

08:04
- 

if everything is in-kind, then that's what I want

08:05
- 

I can take care of the rest

08:05
- 

Deleted Account

in-kind

08:20
- 

Steve Sokolowski

everything's good then, thanks for your help

08:22

28 June 2022

Steve Sokolowski invited Michael Steward

- 

Steve Sokolowski

FYI, I added Michael Steward, an employee who I allowed to keep his paychecks earning interest

08:56
- 

Hanson – Genesis

Hi Michael nice to meet you

08:56
- 

Michael Steward

Hi nice to meet everyone

08:58
- 

Hamill

nice to meet you [Michael](#)

08:59

29 June 2022

- 

Steve Sokolowski

I'll be sending a relatively large withdrawal request of \$104,371.31 for this month's bills to the operations address

unfortunately, we took a huge hit from Celsius and need to cover that loss :(

will have that for you first thing in the morning

15:14
- 

Deleted Account

sorry to hear that. We will have out tomorrow morning

15:16
- 

Deleted Account

16:56

- email seen we will have out tomorrow
-  **Steve Sokolowski** 17:00
thx, have a good night
-  **Deleted Account** 17:05
you too
-  **Steve Sokolowski** 21:52
I sent a new message to the operations address reducing the amount required by \$12039
- otherwise, I responded to Jonathan who was sending a test tx – have a good night 21:52
-  **Hanson – Genesis** 21:53
Thanks Steve
- 30 June 2022
-  **Steve Sokolowski** 06:47
I tried to respond to Jonathan and your mailserver returned the following error:
- "<JYong@Genesisitrading.com>: host 06:47
us-smtp-inbound-1.mimecast.com[205.139.110.141] said: 550 Administrative prohibition – envelope blocked –
<https://community.mimecast.com/docs/DOC-1369#550>
[_wZkxaB2MumXn86n_mz_-w.us26] (in reply to RCPT TO command)"
- but I still believe the operations@genesiscap.co address received the new amount, let me know if not 06:47
-  **Hamill** 07:07
In reply to [this message](#)
Morning @SteveSokolowski checking with team here
-  **Steve Sokolowski** 07:47
in the notes for that error message, the directions are " Delete or modify the Blocked Senders policy to exclude the sender address."
- so your mailserver must be configured to reject my messages to Jonathan 07:47
-  **Hamill** 07:48
I see an email at 9:52 from you
-  **Steve Sokolowski** 07:48
yes, operations@genesiscap.co seems to receive them fine

- it's only to personal addresses on that server 07:48
- H** Hamill 07:49
got it
call amount \$25,058.41 correct? 07:49
- SS** Steve Sokolowski 07:50
yes
for USDC 07:50
- H** Hamill 07:50
got it. we'll send USDC
- Deleted Account** 08:50
usdc test txid
[REDACTED]
[REDACTED]ba07
- SS** Steve Sokolowski 08:54
looking now
received ✓ 09:07
- Deleted Account** 09:09
ty bal out shortly
- Deleted Account** 09:59
usdc txid
[REDACTED]
[REDACTED]be8f
- SS** Steve Sokolowski 10:05
thx, received
and wire received too, thx 10:06
- Deleted Account** 10:06
np
- 14 July 2022
- SS** Steve Sokolowski 11:21

hey, I just wanted to check in and see whether you are open to renegotiation on the USDC interest rates – we negotiated the current rates when the Fed's rate was zero, and now it's going to be at least 2.5% higher

the debt I'm holding at Wells Fargo is going to approach the rate you're offering next week 11:24

Deleted Account 11:24

Hey Steve, you're actually well above our current rates that we are showing to most folks

Genesis
A Digital Currency Group Company

BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	2.00%	Open Term	2.00%	Open Term	7.00%
1-month	3.00%	1-month	3.00%	1-month	7.75%
2-month	3.25%	2-month	3.25%	2-month	8.00%
3-month	3.50%	3-month	3.50%	3-month	8.25%
4-month	3.75%	4-month	3.75%	4-month	8.50%
5-month	4.00%	5-month	4.00%	5-month	8.75%
6-month	4.25%	6-month	4.25%	6-month	9.00%
7-month	4.00%	7-month	4.00%	7-month	9.25%
8-month	4.00%	8-month	4.00%	8-month	9.50%
9-month	3.90%	9-month	3.90%	9-month	9.50%
10-month	3.85%	10-month	3.85%	10-month	9.50%
11-month	3.80%	11-month	3.80%	11-month	9.50%
12-month	3.75%	12-month	3.75%	12-month	9.50%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of July 11th, 2022. Genesis borrows unsecured. Rates are subject to change.

Here are our current rates for color 11:24

If you would like to lock up the funds for 12 months happy to show you 100bp improvement to the card 11:25

Steve Sokolowski 11:25

hmmm, that's a big commitment because the Fed could go up more than 1%

ok, well thanks – I'll evaluate what they do in July and decide whether it's better for me to just pay down my debt 11:25

Deleted Account 11:26

sounds good

18 July 2022

Steve Sokolowski 12:17

hey, just wanted to pass this information on in case you aren't aware of it

there's all these rumors about Coinbase 12:17

Coinbase recently stopped processing our 2000 payouts with 3 day "security holds" 12:17

this just started this weekend and no support person seems to know why these holds are occurring, and our account didn't change 12:17

you can take that for what it's worth, but I thought it might be useful for you to know 12:18

Reed Werbitt 12:18

Thanks for the color Steve

bau on our end regarding CB 12:18

but appreciate the heads up 12:18

28 July 2022

 **Steve Sokolowski** 10:40
I sent tomorrow's payroll of 64500 to your E-Mail address; don't process it today, but you have the information in case you need to take action before tomorrow – thanks!

 **Deleted Account** 10:42
noted thanks

29 July 2022

 **Deleted Account** 08:00
will have this out today

 **Steve Sokolowski** 08:01
thanks!

 **Deleted Account** 12:13
sent with ref # 20220729MMQFMPUR000762

 **Steve Sokolowski** 12:30
thanks again!

11 August 2022

 **Steve Sokolowski** 12:20
quick question – is it an option with you to extend the term of an existing loan at a higher rate before expiration?

or, do you want all loans to expire before negotiating a longer term? 12:21

 **Deleted Account** 12:22
Hey Steve, we would need to wait until expiration to negotiate a new loan

 **Steve Sokolowski** 12:23
ok, no problem

24 August 2022

 **James Webster** 13:53
Hello, I'd like to get some help to answer a question about interest accrued in June.

-  **Deleted Account** 13:54
Hey James– how can we help
-  **James Webster** 13:54
I see that in June, there was interest accrued on BTC loans.
The June 30 statement says 0.30360589 BTC interest and \$4,108.72 USD interest 13:55
- Deleted invited Deleted Account
-  **James Webster** 13:56
On the July 31 statement, I see that a new BTC loan originated (Loan 157392 for 0.30360589 BTC)
However, I am not able to find a new USD loan for \$4,108.72 13:56
And I am not able to figure out where that USD ended up. 13:57
-  **Deleted Account** 13:58
we'll take a look and come back here shortly
-  **James Webster** 13:58
Thanks!
-  **Deleted Account** 14:11
Hey James not seeing the USD figure you mentioned in the july statement
-  **Statement_Cryptocurrency Management LLC_July2022_All.pdf** 14:11
Not included, change data exporting settings to download.
199.9 KB
-  **James Webster** 14:13
I'm looking at the June 30 statement (not July)
- Hanson – Genesis converted this group to a supergroup
Cryptocurrency Management LLC <> Genesis converted a basic group to this supergroup
«Cryptocurrency Management LLC <> Genesis»
-  **Deleted Account** 14:38
Hey James. Apologies, looks like this compound was missed. We will update now and make the necessary changes to July as well.
- James Webster**

 Great, thank you! 14:39

 Deleted Account 15:08
No problem, should be all set now. Let me know if you have any other questions

26 August 2022

 Steve Sokolowski 11:33
hi guys – it looks like BlockFi is willing to offer 3% open term on ETH

we have an additional 60+ ETH and would make a withdrawal of our ETH here 11:33

are you willing to match that or should I request a withdrawal? 11:33

 image_2022-08-26_11-35-45.png 11:35
Not included, change data exporting settings to download.
105.5 KB

 Deleted Account 11:36
hey @SteveSokolowski

 Steve Sokolowski 11:38
hey Chris – to clarify, I either want to call loan 156358, or raise that to 3% and add an additional 60 or so

 Hamill 11:38
hey @SteveSokolowski we cant match that at the moment, we'd pass at that level.

 Steve Sokolowski 11:39
ok, in that case I'll send you an E-Mail after confirming with my brother
thanks 11:39

 Hamill 11:40
sounds like a plan

 Steve Sokolowski 11:52
to clarify, if Genesis is borrowing ETH at the time of the merge and a fork occurs, I would have to withdrawal to be entitled to those forked coins?
I guess that is just a general question on how you handle all forks, including those on bitcoin 11:53

Hanson – Genesis

- H** Hey Steve 11:54
- in the MBA we outline what happens/occurs during forks 11:55
- believe it is section 5 11:55
- SS** **Steve Sokolowski** 11:55
- I'm assuming that since you don't have the coins there is no way you could offer coins
in forks 11:55
- H** **Hanson – Genesis** 11:55
- basically its related to trading volume + market cap of the fork
- SS** **Steve Sokolowski** 11:55
- ok, I'll read that, thx
- oh, that's surprising to me, I thought that since you lend out the money you wouldn't be
able to get the forked coins anyway 11:55
- H** **Hanson – Genesis** 11:56
- We will be actively working with both lenders + borrowers in the event that our clause is triggered
in both our legal docs
- Expecting a busy but smooth week or so if/when it occurs 11:56
- SS** **Steve Sokolowski** 11:57
- ok, thanks for the info
- H** **Hanson – Genesis** 11:58
- Not a problem, let me know if anything else I can help with
- 29 August 2022
- SS** **Steve Sokolowski** 10:49
- I forwarded this month's payroll to operations
- I'll have the ETH withdrawal to BlockFi tomorrow or Wed 10:50
- thanks! 10:50
- Deleted Account** 10:51
- thanks
- Deleted Account** 11:11

we sent a test to

[REDACTED]29e9

txid is

[REDACTED]
[REDACTED]854f

 **Steve Sokolowski** 11:11
thanks, checking
confirmed  11:19

 **Deleted Account** 11:23
bal txid
[REDACTED]
[REDACTED]892c

usd sent as well with ref # 20220829MMQFMPUR002096 11:25

 **Steve Sokolowski** 11:27
thx - it's amazing that you provide such quick service, nobody else comes even close

 **Deleted Account** 11:27
much appreciated!

30 August 2022

Reed Werbitt removed Reed Werbitt

31 August 2022

 **Steve Sokolowski** 14:08
I sent the withdrawal request for the open term ETH
should have it in your inbox 14:09

 **Deleted Account** 14:21
Hey Steve, see the email
we'll start working on this now 14:21

 **Steve Sokolowski** 14:21
thx

 **Deleted Account** 14:52

Hey Steve, could you please upload
[redacted]0c9b
as a lending settlement address on Prime?

SS **Steve Sokolowski** 14:52
sure, will do that shortly
ok, done 14:58

Deleted Account 15:09
Hey Steve, I see the 2.5% borrows as 84.02219280599 total units. Agree?

SS **Steve Sokolowski** 15:12
there are some open term loans listed at a higher rate
the total number of open term loans was 84, I think, but the loans to be called are the loans 15:13
at lower than 3%

Deleted Account 15:18
ok test out shortly

SS **Steve Sokolowski** 15:18
thanks, will check

Deleted Account 15:24
test txid
[redacted]
[redacted]b4f8

SS **Steve Sokolowski** 15:31
received ✓

Deleted Account 15:31
you have a moment to speak on the phone?

SS **Steve Sokolowski** 15:31
sure

image_2022-08-31_15-34-04.png 15:34
Not included, change data exporting settings to download.
249.7 KB

Deleted Account 15:38
ty for speaking bal out shortly

SS Steve Sokolowski 15:38
thanks again!

Deleted Account 15:45
bal txid
[REDACTED]
[REDACTED]e138

6 September 2022

JW James Webster 16:39
Hello, I have a question about the December 2021 statement. The discrepancy is very small but could result in our tax reporting not matching what Genesis reports so I'll ask the question.

On the Dec 2021 statement, there is "Accrued Interest" of 0.00001301 BTC. 16:40

However, this appears to have not been rolled into a new loan, and does not appear in the daily balance report. 16:40

So I don't know whether this should be considered a payment to CCM or not. 16:41

Deleted Account 16:45
checking

it looks like this was somehow missed 16:54

let us know an address and we can deliver to you 16:55

SS Steve Sokolowski 17:43
the money isn't a big deal; the issue is taxes, I think

what is reported 17:43

that money is just dust, so let's figure it out in the morning 17:46

Deleted Account 17:46
ok let us know

7 September 2022

SS Steve Sokolowski 08:15
hi Dan, with this money, it's just dust, so we're fine if it never existed

if it's never paid to us, and never reported to the IRS, then that's OK 08:16

I spent 300 hours last year on taxes, and an audit would cost us tens of thousands of dollars, so we just need to make sure that we can trace every transaction 08:17

it seems like your system already doesn't have the transaction in it, and if it doesn't, then no action is required 08:17

at least you know now though if there is a bug that you need to address for others 08:17

 Deleted Account 08:18
yes thank you for flagging this to us Steve. Let us know if any further assistance is needed

 Steve Sokolowski 08:19
will do, thx

12 September 2022

 Steve Sokolowski 10:09
good morning, Hanson, or whomever this might be best addressed to – I'd be interested in a brief call to discuss the renewal of the ETH loan whenever someone has time
as well as the Sep 20 bitcoin loan, too 10:09

 Hanson – Genesis 10:10
Hi Steve
good morning to you as well 10:10
happy to chat, did you have some specific questions in mind? on an internal call at the moment but can call you at 11 am ET if that works 10:10

 Steve Sokolowski 10:11
sure, that's fine, no rush
I want to discuss staking and blockfi as alternatives in particular 10:11
and want to get an idea of your rates and, if they are less, the advantages of you 10:11
because those Coinbase ETH tokens are actually trading below market rate now 10:12
anyway, talk to you at 11 10:12

15 September 2022

 Steve Sokolowski 14:26
I was reading BlockFi's "transparency reports" – does Genesis have a report like that published anywhere?

 Hanson – Genesis 14:28
Hey Steve
Are you referring to their Q2 quarterly report? 14:28

SS Steve Sokolowski 14:29
yes, articles like this one: <https://blockfi.com/blockfi-transparency-report-Q2-2022>

H Hanson – Genesis 14:29
We also publish those <https://genestrading.com/about/quarterly-reports/> which provides more insight into our business in addition to the conversations that you and I have had over the last few months

SS Steve Sokolowski 14:29
ah, great, that's what I'm looking for, thanks

H Hanson – Genesis 14:29
No worries

Looks like they started to publish them recently, we have been producing those since 2018 which you can see on that link above on our site 14:30

SS Steve Sokolowski 14:30
yep, I understand, I'm just reading the reports from Ledn and BlockFi and think I know what yours generally say, but just wanted to read the actual document

20 September 2022

H Hanson – Genesis 07:39

Genesis A Digital Currency Group Company								
BTC		ETH			USD			
Duration	Rate	Duration	Rate	Duration	Rate	Duration	Rate	Duration
Open Term	1.00%	Open Term	1.00%	Open Term	4.00%			
1-month	1.50%	1-month	1.50%	1-month	4.50%			
2-month	1.75%	2-month	1.75%	2-month	5.00%			
3-month	2.00%	3-month	2.00%	3-month	5.50%			
4-month	2.50%	4-month	2.50%	4-month	6.00%			
5-month	2.75%	5-month	3.00%	5-month	6.50%			
6-month	3.00%	6-month	3.50%	6-month	7.00%			
7-month	3.25%	7-month	3.75%	7-month	7.50%			
8-month	3.50%	8-month	4.00%	8-month	8.00%			
9-month	3.75%	9-month	4.25%	9-month	8.50%			
10-month	3.85%	10-month	4.50%	10-month	9.00%			
11-month	4.00%	11-month	4.75%	11-month	9.50%			
12-month	4.25%	12-month	5.00%	12-month	10.00%			

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of September 19th 2022. Genesis borrows unsecured. Rates are subject to change.

Hi @SteveSokolowski good morning. For the expiring BTC loan we can roll at these updates rates here if any cares 07:40

Please let us know how you would like to proceed, thank you! 07:40

SS Steve Sokolowski 07:45
are those the absolute best rates you can do?

unfortunately, you are being outbid by Ledn and BlockFi 07:45

Deleted Account 07:46
what are you seeing away?

- SS** Steve Sokolowski 07:51
-  image_2022-09-20_07-51-12.png
Not included, change data exporting settings to download.
108.3 KB
- Deleted Account** 07:58
can match on the 3 month if you have cares there
- SS** Steve Sokolowski 08:03
ok, if you can give me until my brother gets up around 1pm, could I get back to you this afternoon?
- Deleted Account** 08:06
that works thanks Steve
- SS** Steve Sokolowski 08:12
great, talk to you then
- hey Griffin, you said that you can't match BlockFi for the longest term, but could you come close – like they said 6.75, so could you do 6.25% at a year? 08:24
- Deleted Account** 08:29
hard to get there, could do 5% for 12 months
- SS** Steve Sokolowski 08:30
ok, thanks will discuss and get back to you this afternoon
- SS** Steve Sokolowski 11:34
Griffin, do your contracts have an early termination with penalty clause, like BlockFi's do?
- Deleted Account** 11:35
Will take a look. Typically there is no ability to break the loan early
- SS** Steve Sokolowski 11:36
ok, please do – thanks
- I'm talking about the year-long term in particular 11:36
- Deleted Account** 11:56
confirmed there is no ability to break the loan prior to expiration
- Steve Sokolowski

 ok, thanks 11:56

 Deleted Account 11:56
np

21 September 2022

 Steve Sokolowski 07:45
I want to apologize for the delay; we have calls with BlockFi and Ledn today and anticipate making a decision on the bitcoins today – if you can give us until the end of the day today, I promise I will be able to tell you one way or the other

 Deleted Account 07:45
sure thing no issue

 Steve Sokolowski 10:28
Griffin, I had a few questions for you about Genesis's books – would it be easier to talk to you over the phone for five minutes, or did you want me to ask them here?

it might be easier to speak rather than just go back and forth here for a long time 10:28

 Deleted Account 10:29
Hey Steve, sure happy to chat

 Steve Sokolowski 10:30
maybe just give me a Telegram call

26 September 2022

 Deleted Account 07:19
Hi Steve, see your email

 Steve Sokolowski 07:19
thx

 Deleted Account 07:19
can you please add [REDACTED] 7h5B as a lending settlement address on Prime?

 Steve Sokolowski 07:19
sure, will do now

ok, added 07:25

-  Deleted Account 08:53
test txid
[REDACTED]
[REDACTED] bbd2
-  Steve Sokolowski 08:53
thx, checking
-  Steve Sokolowski 09:09
just waiting on my contact to get into the office; she normally arrives at 9:45, to be absolutely sure it's the right address
- things seem fine but with so much money want to double-check, will get back to you shortly 09:09
-  Deleted Account 09:10
ok sure
-  Steve Sokolowski 10:40
approved
-  Deleted Account 10:48
thanks for speaking. Will let you know once balance is out
- txid 10:53
[REDACTED]
[REDACTED] c21d
-  Steve Sokolowski 10:54
they report it as received
- thx for your help 10:54
-  Deleted Account 10:54
np
- 29 September 2022
-  Steve Sokolowski 12:56
could you send me one of your rate images?
-  Conor M - Genesis 12:57

Genesis A Digital Currency Group Company					
BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.00%	Open Term	1.00%	Open Term	4.00%
1-month	1.25%	1-month	1.25%	1-month	4.25%
2-month	1.50%	2-month	1.50%	2-month	4.75%
3-month	1.75%	3-month	1.75%	3-month	5.25%
4-month	2.25%	4-month	2.25%	4-month	5.75%
5-month	2.50%	5-month	2.75%	5-month	6.25%
6-month	2.75%	6-month	3.25%	6-month	6.75%
7-month	3.00%	7-month	3.50%	7-month	7.25%
8-month	3.25%	8-month	3.75%	8-month	7.75%
9-month	3.50%	9-month	4.00%	9-month	8.25%
10-month	3.60%	10-month	4.25%	10-month	8.75%
11-month	3.75%	11-month	4.50%	11-month	9.25%
12-month	4.00%	12-month	4.75%	12-month	9.75%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of September 26th 2022. Genesis borrows unsecured. Rates are subject to change.

Hi Steve – please see above



Steve Sokolowski

12:57

thx

these rates change on Mondays, right?

12:57



Deleted Account

12:58

yes



Steve Sokolowski

12:58

great, thanks, I may get back to you tomorrow to negotiate

have a great afternoon

12:58



Deleted Account

12:58

sounds good you too Steve

Michael Paleokrassas removed Michael Paleokrassas

Matt Ballensweig removed Matt Ballensweig

4 October 2022



Steve Sokolowski

10:03

in light of your Telegram security issues, you might want to consider researching Mattermost for your clients

Hanson – Genesis removed Deleted Account

H Hanson – Genesis 10:03
Thanks Steve

SS Steve Sokolowski 10:03
we use it in our business and you can guarantee that nobody else could get access
it's basically like Telegram but is free and can be hosted internally 10:04
just a suggestion for the engineers 10:04

H Hanson – Genesis 10:05
Will convey that on to our security/tech team, appreciate it. In the interim here please be extra vigilant for all communications with our team and we will be in touch going forward with further updates. If you have any questions it would be best to direct them here to main chat (not DM's) or sales@genesisstrading.com

SS Steve Sokolowski 10:06
ok, no problem

6 October 2022

SS Steve Sokolowski 10:21
hi – could you send me one of your rate images, particularly 1–3 month loans for ETH?

H Hanson – Genesis 10:21
Hey Steve

BTC			ETH			USD		
Duration	Rate		Duration	Rate		Duration	Rate	
Open Term	1.00%		Open Term	1.00%		Open Term	4.00%	
1-month	1.25%		1-month	1.25%		1-month	4.25%	
2-month	1.50%		2-month	1.50%		2-month	4.75%	
3-month	2.75%		3-month	2.75%		3-month	5.25%	
4-month	3.50%		4-month	3.50%		4-month	5.75%	
5-month	4.50%		5-month	4.50%		5-month	6.25%	
6-month	5.00%		6-month	5.00%		6-month	6.75%	
7-month	4.75%		7-month	4.75%		7-month	7.25%	
8-month	4.50%		8-month	4.50%		8-month	7.75%	
9-month	4.25%		9-month	4.25%		9-month	8.25%	
10-month	4.00%		10-month	4.00%		10-month	8.75%	
11-month	3.75%		11-month	3.75%		11-month	9.25%	
12-month	3.50%		12-month	3.50%		12-month	9.75%	

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of October 3rd, 2022. Genesis borrows unsecured. Rates are subject to change.

Here is our current rate chart

SS Steve Sokolowski 10:22
thx

H Hanson – Genesis 10:22
No problem, best bid for 6 month duration across BTC/ETH at the moment



Steve Sokolowski

10:22

yeah, we're glad we got that for a year last week

I realized our payroll only occurs once per month and therefore there's no reason to have OT loans on ETH when they could be 1 month

10:22

I'll do math and get back tomorrow

10:22



Hanson – Genesis

10:23

Sounds good

11 October 2022



Steve Sokolowski

09:58

hi Hanson, could you send me this week's rate image?



Hanson – Genesis

09:59

hey Steve

Genesis					
A Digital Currency Group Company					
BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.00%	Open Term	1.00%	Open Term	4.00%
1-month	1.25%	1-month	1.25%	1-month	4.25%
2-month	1.50%	2-month	1.50%	2-month	4.75%
3-month	2.00%	3-month	2.75%	3-month	5.25%
4-month	2.50%	4-month	3.50%	4-month	5.75%
5-month	3.00%	5-month	4.50%	5-month	6.25%
6-month	3.50%	6-month	5.00%	6-month	6.75%
7-month	4.00%	7-month	4.75%	7-month	7.25%
8-month	4.50%	8-month	4.50%	8-month	7.75%
9-month	5.00%	9-month	4.25%	9-month	8.25%
10-month	4.50%	10-month	4.00%	10-month	8.75%
11-month	4.00%	11-month	3.75%	11-month	9.25%
12-month	3.50%	12-month	3.50%	12-month	9.75%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$3mm
 * Indicative rates as of October 10th, 2022. Genesis borrows unsecured. Rates are subject to change.

09:59



Steve Sokolowski

09:59

thanks!



Hanson – Genesis

09:59

Best bid for 9 month BTC and 6 month ETH

Let us know if any cares there or rate/durations you had in mind as you are assessing the market

10:00



Steve Sokolowski

10:00

your rates for those terms are exceptional and we would take them – but the problem is that you and BlockFi have different yield curves

this is business money that might be needed in 3 months

10:01

they don't pay as well for the long term loans

10:01

Hanson – Genesis

- H** where are you seeing the 3 month loans? 10:01
- In reply to [this message](#) 10:01
understood np
- SS** **Steve Sokolowski** 10:01
I asked Erin if anything changed since last week
let me get her latest rates and will get back to you 10:02
- H** **Hanson – Genesis** 10:03
Sure thing no rush, appreciate it Steve
- Hanson – Genesis invited Deleted Account
- SS** **Steve Sokolowski** 11:59
 **image_2022-10-11_11-59-23.png**
Not included, change data exporting settings to download.
42.9 KB
- I think that 3 months is probably the longest we can go with this business money 11:59
so you can see that you probably would negotiate higher for the 6 month terms but your
lower terms aren't as competitive 12:00
- H** **Hanson – Genesis** 12:03
understood, thanks for the color Steve its very appreciated
not sure we will be able to match 4.5% for a 3 month FT on BTC/ETH, those are high rates 12:05
- SS** **Steve Sokolowski** 12:57
ok, thanks
I'll keep asking for images every week 12:57
- Hamill invited Leroy-exgenesis
- 18 October 2022
- H** **Hanson – Genesis** 15:01

Genesis A Digital Currency Group Company								
BTC		ETH		USD				
Duration	Rate	Duration	Rate	Duration	Rate			
Open Term	1.00%	Open Term	1.00%	Open Term	4.00%			
1-month	1.50%	1-month	2.00%	1-month	5.50%			
2-month	2.00%	2-month	3.00%	2-month	6.00%			
3-month	3.50%	3-month	4.00%	3-month	6.50%			
4-month	4.50%	4-month	5.00%	4-month	7.00%			
5-month	5.00%	5-month	6.00%	5-month	7.50%			
6-month	5.50%	6-month	5.75%	6-month	8.00%			
7-month	6.00%	7-month	5.50%	7-month	8.50%			
8-month	5.75%	8-month	5.25%	8-month	9.00%			
9-month	5.50%	9-month	5.00%	9-month	9.50%			
10-month	5.25%	10-month	5.00%	10-month	10.00%			
11-month	5.00%	11-month	5.00%	11-month	10.50%			
12-month	4.75%	12-month	5.00%	12-month	10.75%			

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
 * Indicative rates as of October 17th, 2022. Genesis borrows unsecured. Rates are subject to change.

Hey @SteveSokolowski good afternoon, sending along our latest rate card for your reference. Continue to be best bid for that longer term duration but have seen a healthy clip higher overall if you have any cares along the curve

SS Steve Sokolowski 16:03
 thx - I am in a meeting right now but will discuss this and talk tomorrow

H Hanson - Genesis 16:48
 Sounds good Steve thank you!

20 October 2022

SS Steve Sokolowski 09:24
 hi Hanson - unfortunately, BlockFi still beats you just barely for the 3 month loans; however, if you want to increase the term for all the ETC to 1 month at 9%, you can send a term sheet

H Hanson - Genesis 09:26
 Hey Steve, are you asking about ETH or ETC?

SS Steve Sokolowski 09:26
 ETC

H Hanson - Genesis 09:26
 We aren't looking to do fixed term loans for ETC

SS Steve Sokolowski 09:26
 ok

with the ETH, I'll wait for a little higher, if that comes 09:26

the longer terms for ETH are exceptional 09:27

H Hanson - Genesis 09:27
 Sure, what is your hurdle rate? How many units are you looking to lend out

Steve Sokolowski

- SS** give me a minute 09:27
- H** **Hanson – Genesis** 09:27
Sure thing no rush
- SS** **Steve Sokolowski** 09:30
before I or you do a lot of math I think that I could make money by paying an early termination fee to BlockFi and taking your 5 month loans somewhere above 7%
- is that anywhere close? 09:30
- for ETH, that is 09:30
- H** **Hanson – Genesis** 09:30
How many units are you thinking here?
- SS** **Steve Sokolowski** 09:30
need to login, hold on
- ok, so I would need to talk with my brother and would need to do careful math, so this isn't 09:34
a commitment, but my guess is that 7.5% for 300 at 5 months would be enough to offset the
BlockFi termination fee
- H** **Hanson – Genesis** 09:35
Thanks Steve let us discuss and get back
- SS** **Steve Sokolowski** 09:37
I might even be willing to allow your trading desk to trade some of the other coins earning lower rates into ETH at that rate
- H** **Hanson – Genesis** 09:40
What coins are you looking to trade?
- SS** **Steve Sokolowski** 09:41
the dogecoins come to mind
- but I would need to look at charts about that one 09:41
- again just to be clear I would need to do some calculations on taxes, etc 09:41
- H** **Hanson – Genesis** 09:48
Can you do 7.25% for 5 month? For that notional can improve slightly from the 6% shown on the rate card
- Steve Sokolowski**

SS I sent out a message to BlockFi clarifying the penalty terms 09:50

once I get a response I'll be able to reply to that 09:50

H Hanson – Genesis 09:50
Okay sounds good, thanks Steve

SS Steve Sokolowski 09:50
obviously I'll only do this if I make money

so there may be a hard limit 09:50

SS Steve Sokolowski 10:46
ok, I got the response and it turns out that BlockFi counts partial months remaining in the loan as whole months for their penalty calculations, which means that I undercounted by 1% and the math doesn't work out until November 1

so if you're still offering these rates in two weeks, I'll be glad to reconsider 10:46

H Hanson – Genesis 10:48
Sounds good, will make sure to check in with you Nov 1, thanks as always Steve

Let us know if we can help with anything 10:48

SS Steve Sokolowski 10:48
no problem, have a great day

H Hanson – Genesis 10:48
you too!

SS Steve Sokolowski 15:55
hey Hanson, just thought of something, I had figured that you weren't interested in smaller amounts of ETH, like 100

because we do have open term loans for that amount and could crunch number for small amounts like that 15:56

oops – scratch that; I made an error, looks like we need to keep that open term, so I'll get back to you on Nov 1 16:06

H Hanson – Genesis 16:08
Okay no worries

Thanks Steve will revisit 11/1 16:08

31 October 2022

 **Steve Sokolowski** 07:57
good morning! we're short on payroll by \$10,000, so I'm going to send an E-Mail to you

 **Deleted Account** 08:29
Hey @SteveSokolowski see your email. We'll work on processing the withdrawal

Deleted invited Deleted Account

Deleted invited Brian Nathan – Genesis

 **Steve Sokolowski** 08:30
thx – with the dogecoin price increase, we may be back to giving you money as soon as next month, things are looking up

on an unrelated note, I wanted to share that I was a little disappointed about how Genesis handled the ETHW fork 08:31

BlockFi gave us thousands of free dollars and Genesis paid out nothing 08:31

and unfortunately how Genesis handled the fork would have to be considered in interest rates when comparing in the future 08:31

just a suggestion for management for what it's worth, I know you don't have anything personally to do with it Griffin 08:32

 **Deleted Account** 08:35
Let me look into this and revert

 **Steve Sokolowski** 08:36
oh, well thanks for that, I didn't expect you would be able to do anything
I think they were able to get like \$7 for each coin, so I was wondering what Genesis did with the money, perhaps it just goes into general funds 08:37

 **Hanson – Genesis** 10:24
Hi @SteveSokolowski

 **Steve Sokolowski** 10:24
hey Hanson

 **Hanson – Genesis** 10:25

(c) Lender's Right to New Tokens

Lender will receive the benefit and ownership of any incremental tokens generated as a result of a Hard Fork in the Digital Currency protocol or an Applicable Airdrop (the "New Tokens") if following two conditions are met:

- **Market Capitalization:** the average market capitalization of the New Token (defined as the total value of all New Tokens) on the 30th day following the occurrence the Hard Fork or Applicable Airdrop (calculated as a 30-day average on such date) is at least 5% of the average market capitalization of the Loaned Assets (defined as the total value of the Loaned Assets) (calculated as a 30-day average on such date).
- **24-Hour Trading Volume:** the average 24-hour trading volume of the New Token on the 30th day following the occurrence the Hard Fork or Applicable Airdrop (calculated as a 30-day average on such date) is at least 1% of the average 24-hour trading volume of the Loaned Assets (calculated as a 30-day average on such date).

I will message you on the side here and can chat further, but ultimately "ETHW" did not meet the criteria outlined in our MBA in which we would be obligated to send our ETH lenders the new token

- SS** **Steve Sokolowski** 10:25
oh, I understand that you aren't obligated to give these tokens
- I'm not asking you to give them 10:25
- I'm just saying that BlockFi did and it's a competitive advantage 10:25
- so I just wanted to point that out for future reference because it was worth about 0.5% 10:27
- you might want to suggest to management that they consider changing the policy, that was all 10:28
- anyway, thanks for looking into it 10:28
- H** **Hanson – Genesis** 10:28
Understood, not sure how their legal documents are structured but also for your knowledge our arrangements with lenders/borrowers is symmetrical so we also were not receiving any tokens on the other side of our book when applicable
- In reply to [this message](#) 10:29
Which we discussed back in August prefork to alert you of what would and would not trigger
- SS** **Steve Sokolowski** 10:29
ah, ok, so they probably kept the tokens
- H** **Hanson – Genesis** 10:30
That is correct as we did not have legal recourse to them as ETHw ended up being less than 1% of the 30 day average of ETH so our clause did not trigger
- on a market cap basis 10:30
- SS** **Steve Sokolowski** 10:31
ok, well thx for your clarification
- H** **Hanson – Genesis** 10:32
no problem, for future in that section 5 of the MBA we also outline how we give you the right as the lender to terminate a loan if you are expecting a hard fork
- even if it is FT 10:32
- 10:33

(b) No Immediate Termination of Loans Due to Hard Fork

In the event of a Hard Fork in the blockchain for any Loaned Assets or an Airdrop, any outstanding Loans will not be automatically terminated. **Borrower and Lender may agree, regardless of Loan type, either (i) to terminate a Loan without any penalties on an agreed upon date or (ii) for Lender to manage the Hard Fork on the behalf of Borrower.** Nothing herein shall relieve, waive, or otherwise satisfy Borrower's obligations hereunder, including without limitation, the return of the Loaned Assets at the termination of the Loan and payment of accrued Loan Fees, which includes the per diem amounts for days on which Borrower transfers Digital Currency to Lender and Lender transfers said Digital Currency back to Borrower pursuant to this section.

(c) Lender's Right to New Tokens

Lender will receive the benefit and ownership of any incremental tokens generated as a result of a Hard Fork in the Digital Currency protocol or an Applicable Airdrop (the "New Tokens") if following two conditions are met:

- **Market Capitalization:** the average market capitalization of the New Token (defined as the total value of all New Tokens) on the 30th day following the occurrence the Hard Fork or Applicable Airdrop (calculated as a 30-day average on such date) is at least 5% of the average market capitalization of the Loaned Assets (defined as the total value of the Loaned Assets) (calculated as a 30-day average on such date).
- **24-Hour Trading Volume:** the average 24-hour trading volume of the New Token on the 30th day following the occurrence the Hard Fork or Applicable Airdrop (calculated as a 30-day average on such date) is at least 1% of the average 24-hour trading volume of the Loaned Assets (calculated as a 30-day average on such date).



Steve Sokolowski

10:33

ah, I didn't know that – thanks

that makes me less worried about fixed term loans in the future

10:34

also got the message about the withdrawal – thanks

10:34



Hanson – Genesis

10:35

👍 👍 no problem thanks Steve, let us know if we can help with anything else



Steve Sokolowski

15:21

could you send me your rate image for this week?



Hanson – Genesis

15:24

BTC			ETH			USD		
Duration	Rate		Duration	Rate		Duration	Rate	
Open Term	1.00%		Open Term	1.00%		Open Term	6.00%	
1-month	1.50%		1-month	1.75%		1-month	6.50%	
2-month	2.50%		2-month	3.00%		2-month	7.50%	
3-month	4.50%		3-month	3.50%		3-month	8.00%	
4-month	4.75%		4-month	4.00%		4-month	8.75%	
5-month	5.25%		5-month	4.50%		5-month	9.75%	
6-month	5.50%		6-month	5.00%		6-month	10.50%	
7-month	5.75%		7-month	5.50%		7-month	10.75%	
8-month	6.00%		8-month	6.00%		8-month	11.00%	
9-month	5.75%		9-month	5.75%		9-month	11.25%	
10-month	5.50%		10-month	5.50%		10-month	11.50%	
11-month	5.25%		11-month	5.25%		11-month	11.75%	
12-month	5.00%		12-month	5.00%		12-month	12.00%	

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of October 31st 2022. Genesis borrows unsecured. Rates are subject to change.



Steve Sokolowski

15:25

thx

9 November 2022



Steve Sokolowski

16:38

just to confirm, your trading desk watches this chat after business hours?

or is there somewhere else I should contact?

16:38

-  **Hanson – Genesis** 16:38
We are here Steve
-  **Steve Sokolowski** 16:38
ok, great, thx
-  **Hanson – Genesis** 16:38
[@Weekuo](#) [@MarcGenesis](#) cover the APAC session
-  **Steve Sokolowski** 16:39
tonight looks like a night where fortunes may be made
-  **Hanson – Genesis** 16:39
Might need a prefund of assets depending on the size of the trade
-  **Steve Sokolowski** 16:39
it would just be dollars to bitcoins
-  **Greg Guttas Genesis** 16:39
In reply to [this message](#)
sir what are business hours in crypto
-  **Steve Sokolowski** 16:39
you already have open term loans
-  **Steve Sokolowski** 16:40
would there be a problem with that, if prices decline further asking you to trade those dollars for bitcoins?
-  **Hanson – Genesis** 16:40
Thats fine
-  **Hanson – Genesis** 16:41
Have you been able to get any assets off of BlockFi?
-  **Steve Sokolowski** 16:41
they seem to be operating normally
-  **Hanson – Genesis** 16:41
That is good
-  **Steve Sokolowski** 16:41
we took a tax withdrawal no problem yesterday

10 November 2022

- SS** **Steve Sokolowski** 22:04
 what is your minimum trade size?
 we need to do a lot of buying and selling quickly to rebalance our assets 22:04
 because of the money we lost at BlockFi 22:04
- WK** **Wee Kuo** 22:05
 Hi, 250k notional per clip
- SS** **Steve Sokolowski** 22:05
 ok, will get back to you soon
- WK** **Wee Kuo** 22:05
 sure, we'll be here
- SS** **Steve Sokolowski** 23:00
 ok, thanks – we won't need to make any purchases because we are not insolvent
 however, we will be closing most of our open term loans tomorrow 23:00
 I'll send the withdrawal requests by E-mail 23:00
 I know that you're not at fault for BlockFi, but our level of risk needs to be much lower now 23:00
 have a good night 23:01
- H** **Hanson – Genesis** 23:02
 Thanks Steve, talk to you in the morning
 Let us know how we can help 23:02
- 11 November 2022
- SS** **Steve Sokolowski** 07:22
 good morning, Hanson, or whoever is up
- GG** **Greg Guttas Genesis** 07:22
 gm
 how can we help? 07:22
- SS** **Steve Sokolowski** 07:22
 can you confirm that you have no exposure to BlockFi?
- H** **Hanson – Genesis** 07:22
 No exposure to BlockFi steve

- SS** **Steve Sokolowski** 07:22
well, that's one good thing at least
- before I make the withdrawal requests, are the open term rates for all of those coins the best you can possibly offer? 07:23
- if it would be easier for Hanson to call, I'm here 07:24
- H** **Hanson – Genesis** 07:24
In reply to [this message](#)
What assets are you looking to withdraw
- SS** **Steve Sokolowski** 07:25
we would withdraw everything we can
- it's not your fault 07:25
- it's just that we have no margin for error anymore 07:25
- H** **Hanson – Genesis** 07:25
Please confirm the assets and units you are looking to withdraw and we can go from there
- SS** **Steve Sokolowski** 07:25
ok, will get that together now, I need to add addresses
- does Genesis or Digital Currency Group have a division that makes investments? 07:26
- like someone who might be interested in investing in or acquiring our mining pool 07:26
- H** **Hanson – Genesis** 07:26
Not at this time but will keep it in mind, our sister company Foundry runs the worlds largest BTC mining pool
- SS** **Steve Sokolowski** 07:27
ah, ok, maybe I'll send them an E-Mail to see if they were looking to expand into other coins, because we get all our money from mining litecoins/dogecoins, and GPU coins
- H** **Hanson – Genesis** 07:29
at the momen they are only focused on BTC but not sure their long term direction
- SS** **Steve Sokolowski** 07:29
ok, understandable
- the pool is profitable – it just has a low reserve for PPS mining 07:29
- Hanson – Genesis**

- H** Hi team good morning — 08:35
- I wanted to reach out and highlight an email we've sent through to our client base providing an update on our current balance sheet as we position Genesis for its next phase of growth.
- While the operation of our lending and trading businesses have not been impacted by recent market events, Genesis has taken steps to strengthen its balance sheet with an additional equity infusion of \$140M from our parent company, Digital Currency Group.**
- This additional capital will bolster our position as a global leader in crypto capital markets and allow us to support our clients and the growing demand for our services.
- Genesis continues to operate with transparency as we always have, and we remain steadfastly committed to our clients throughout all market conditions.
- Please let us know if you have any questions today, thank you.
- SS** **Steve Sokolowski** 08:43
- thx Hanson
- we're not worried that Genesis is going under 08:43
- we just need money because BlockFi went under 08:43
- so I have a dogecoin address I'm adding now – I assume that there isn't much demand above the 1.5% you're offering, right? 08:43
- SS** **Steve Sokolowski** 09:33
- ok, I sent the E-Mail
- CM** **Conor M – Genesis** 09:34
- Hey Steve – see you here
- SS** **Steve Sokolowski** 09:35
- it's a sad day today Conor :(
- I hate having to do this to Genesis, which had nothing to do with all of these incidents 09:35
- BN** **Brian Nathan – Genesis** 10:19
- DOGE test is out, TXID:

1946
- SS** **Steve Sokolowski** 10:20
- checking
- Steve Sokolowski**

just want to check that this Ledger synchronization error is their error 16:19



Conor M - Genesis

16:20

Sounds good

will hold for now

16:20



Steve Sokolowski

16:25

ok, ready

Ledger is so overloaded that their block explorer servers are offline

16:25



Deleted Account

16:25

thanks will call now

thanks for the chat will get the rest out now

16:27



Steve Sokolowski

16:27

thank you!



Deleted Account

16:33

coins are out tx ids below:

ltc-

[REDACTED]

[REDACTED]b016

etc-

[REDACTED]

[REDACTED]0870

13 November 2022



Steve Sokolowski

09:38

sent out an E-Mail about a small withdrawal whenever you process it tomorrow

also, if Griffin is here, could he send me a message directly? I'm trying to locate a conversation we had on September 30 about Zac Prince - thanks!

09:40



Deleted Account

09:40

hey @SteveSokolowski



Steve Sokolowski

09:41

basically I just want to find the Telegram chat where I told Griffin that Prince personally convinced me to not sign a large BTC loan to Genesis

so any help he can provide would be appreciated!

09:41

will give you a ring now

thanks for the chat will get the rest out now 10:02

Deleted Account 11:50
 btc is out –
 [REDACTED]
 [REDACTED]8f54

Steve Sokolowski 11:51
 got it – thanks, and have a great weekend

Deleted Account 11:51
 thanks you too

15 November 2022

Steve Sokolowski 08:47
 good morning! just want to confirm that you're working on that withdrawal request for the dollars from Thursday

it was a bank holiday on Friday, so I assumed you were probably held up by that 08:47

16 November 2022

Steve Sokolowski 11:19
 hey guys, I'm just trying to get an update because we need to decide whether to make layoffs ASAP

are you able to say whether there is any realistic chance of avoiding bankruptcy? 11:19

Hanson – Genesis 11:19
 Hey Steve, we have currently suspended all withdrawals

Steve Sokolowski 11:19
 hey hanson

Hanson – Genesis 11:19
 We had sent out an email last night inviting clients to join a call with our CEO this morning. The subsequent tweet outlined the current situation to recap what was said but at this time our management team has taken the decision to pause withdrawals in light of current market conditions

<https://twitter.com/GenesisTrading/status/1592867198900768769?s=20&t=SU3bXSFcOTFHmkW90iLFEQ> 11:20

- SS** Steve Sokolowski 11:20
I saw that – thanks
- my problem is that with BlockFi and Celsius having also failed, we have no money 11:20
- so we need to know immediately whether I can make payroll 11:20
- so I'm just hoping you can say whether Genesis is likely to go bankrupt because I don't want 11:21
to do layoffs and then find out that Genesis is solvent after all
- H** Hanson – Genesis 11:21
In reply to [this message](#)
- We have been actively monitoring the ongoing situation and this week as market conditions continued to deteriorate post FTX/Alameda fraudulent activity the liquidity within the global crypto credit markets was impacted. We are taking as many steps as we possibly can trying to come to a solution and have been told by our management team to be able to provide an updated path forward to clients by next week
- We are currently working with a few external parties on path forward 11:21
- SS** Steve Sokolowski 11:23
hmmm, we don't have until next week to make this decision
- H** Hanson – Genesis 11:23
I hope you can trust us when we say we truly sympathize with the current situation, this has been an incredibly difficult time in the overall market and we are doing our best to serve our clients with the information we have on hand as we navigate through it all
- I can confirm that we are not proceeding with any withdrawal requests at this time 11:23
if that can help you come to a decision that you may or may not have to take 11:23
- SS** Steve Sokolowski 11:24
ok, so then maybe you can help with this
- you'll be in default of your loan on Friday 11:24
- that means you will have to pay 1% per day after that , if Genesis doesn't declare bankruptcy, right? 11:24
- H** Hanson – Genesis 11:26
I have asked our legal team to provide additional clarity on that point
- SS** Steve Sokolowski 11:26
thanks!
- SS** Steve Sokolowski 12:41

would Genesis be interested in negotiating a termination of the fixed-term loans with us, where we would sign a contract that you owe us nothing beyond the principal, and the future interest can then be removed from your books as a debt?

H **Hanson – Genesis** 12:42
At this time we are not breaking any fixed term loans in light of our current stance of pausing withdrawals

SS **Steve Sokolowski** 12:42
ok

22 November 2022

SS **Steve Sokolowski** 18:20
please note I sent a notice of default to your operations inbox
I'll be sending one by certified mail as well – thanks 18:20

H **Hanson – Genesis** 18:20
Hi Steve, can you please address this to legal@genesistrading.com

SS **Steve Sokolowski** 18:21
no problem

1 December 2022

SS **Steve Sokolowski** 08:14
good morning, I sent a message to request a withdrawal of today's interest
also, soon I'll be asking for all communication to go through my attorney – to whom should I send that notice? 08:15
with the name and address where she can be contacted? 08:15

H **Hanson – Genesis** 08:15
In reply to [this message](#)
You can use this email

SS **Steve Sokolowski** 08:16
the operations@genesiscap.co?

H **Hanson – Genesis** 08:16
No
legal@genesistrading.com 08:16

SS Steve Sokolowski 08:16
great, thanks

H Hanson – Genesis 08:16
Thanks Steve

SS Steve Sokolowski 08:26
also, before legal action commences I just want to remind here that I am the only person authorized to speak for or make decisions for the company right now, so anything said by anyone else does not represent my position and does not constitute a request for action

thanks, and have a great day! 08:26

5 December 2022

SS Steve Sokolowski 16:06
could you tell me the address where I should serve Genesis papers?

the physical address 16:07

H Hanson – Genesis 16:08
Hey Steve, will message you on the side

SS Steve Sokolowski 16:08
thanks

7 December 2022

SS Steve Sokolowski 09:59
here's the address of my attorney:

Lourdes Sánchez Ridge , Esquire 09:59
Pietragallo Gordon Alfano Bosick & Raspanti, LLP
301 Grant Street, Suite 3800
Pittsburgh , PA 15219
Office: (412) 263-1841

please communicate directly with her from now on 09:59

I'll forward this to the legal@genesistrading.com address as well 09:59

H Hanson – Genesis 09:59
Sounds good Steve, yes please email legal@genesistrading.com so that our team is aware

SS Steve Sokolowski 10:00
LSR1@Pietragallo.com is her address; I won't be responding here at this point

thanks hanson 10:00
4 May 2022

SS Steve Sokolowski 09:26
thanks - worked and all set

Deleted Account 09:26
great. we will get you the \$4897.08 today

SS Steve Sokolowski 09:27
thanks again, sorry for the trouble yesterday

Deleted Account 09:27
np

SS Steve Sokolowski 12:23
hi Dan, I want to make sure that Genesis understands that Chris, and then James, in that order of succession, are to control this account in the case that I die

what paperwork does Genesis need to convey that understanding 12:24

Ledn, for example, allows a beneficiary to be listed on their website, so I wanted to check if there is something like that here 12:25

Deleted Account 12:32
1 sec on this

SS Steve Sokolowski 12:32
ok, no rush, you can take a few days if needed

I just want to make sure that's tied up at some point 12:32

Deleted Account 12:34
yeah so short answer is that we can set up Chris and James with full access to the account fairly quickly. But you would need to be the one authorizing this. Are they only supposed to have full access if you pass away?

SS Steve Sokolowski 12:35
my issue with having full access now is that I'm the only owner of the LLC, so I would be liable

so I just want them to be able to manage this account if I'm not around 12:35

if Genesis doesn't have any specific procedure, then I can just add it to a will 12:36

Deleted Account 12:38
ok I see

 **Steve Sokolowski** 12:38
banks usually require you to list a beneficiary at account opening, that's why I'm asking

 **Deleted Account** 12:39
In reply to [this message](#)
I think this is probably best

 **Steve Sokolowski** 12:39
ok, thanks for your help

 **Deleted Account** 12:39
In reply to [this message](#)
and we can also supplement with some kind of email to compliance/operations here that states this

 **Steve Sokolowski** 12:40
ok, I'll do that, tahnks

12 May 2022

 **Steve Sokolowski** 09:59
I just wanted to get a clarification on something said above – someone said that you treat "USD" and "USDC" interchangeably in your system; is that a legal guarantee that you will deposit the number of USDC owed into a bank account if I asked for it?

there's no rush to answer and I need to go away for a bit, but whenever you can get me clarification that would be great 10:00

I don't plan to take any action on it now, I just want to know 10:00

 **Deleted Account** 10:02
hey [@SteveSokolowski](#)

no legal guarantee above but something we can consider and help with when requested 10:02

 **Steve Sokolowski** 13:39
ok, I just wanted to find out if you would guarantee the peg, which it seems like you don't – and I understand

30 May 2022

 **Steve Sokolowski** 20:35
sent a withdrawal request for tomorrow – no need to reply tonight – thanks!



Hanson - Genesis

20:35

Thanks Steve

Hope you are enjoying the long weekend

20:35

31 May 2022



Deleted Account

08:33

usdc test txid

[Redacted]

[Redacted] 5758



Steve Sokolowski

08:34

thx, finance manager is looking now



Steve Sokolowski

08:50

received



Deleted Account

08:51

Hey Steve, I'm going to call you real quick for a voice confirmation



Steve Sokolowski

08:51

ok



Deleted Account

08:52

thanks for speaking



Deleted Account

09:14

usdc txid

[Redacted]

[Redacted] 9b92



Steve Sokolowski

09:20

thanks

2 June 2022



Steve Sokolowski

08:43

I'm having trouble balancing the books for this month, and I'm still looking into that, but I noticed that in the "activity" page you have listed "2022-05-31 151467 USDC Loan Return Return 133 USDC from Loan 685197.440181 USDC @ 9.50% 9.5000% 13,300.00"

- is that just a typo in the description, or has that affected the recorded balances? 08:43
-  Deleted Account 09:15
checking that
- can you send a screenshot? that sounds like a typo. I see 10,605.45 closed from loan id 147866, and 13,300 closed from your open term usdc loan 09:23
- I don't know why it would be showing 133 usdc return
-  Steve Sokolowski 09:24
-  image_2022-06-02_09-24-28.png
Not included, change data exporting settings to download.
259.3 KB
-  Deleted Account 09:26
ok thank you for sharing this. Will raise with our tech team. I would recommend referencing the "quantity" column on far right in the mean time. Sorry for any confusion
-  Steve Sokolowski 09:26
ok, thanks
- 6 June 2022
-  Steve Sokolowski 09:17
in the past, you guys said you would take 50 more ETH when we had it, but now prices are half when you said that – do you still want that many?
-  Hanson – Genesis 09:35
Hi Steve see you here
- Let me discuss with @HamillGenesis here and revert 09:35
-  Steve Sokolowski 09:36
ok
-  Hanson – Genesis 09:42
We can take the new 50 ETH at 1.50% OT if that works, have seen rates decline slightly for OT
-  Steve Sokolowski 09:43
ok, my brother will be up in an hour and we'll discuss and get an exact amount – thanks
- Hanson – Genesis

-  H Cool thanks Steve, let us know 09:43
-  **Steve Sokolowski** 13:21
could you do 60 at 1.75%
if so you have a deal 13:21
-  H **Hanson – Genesis** 13:26
Can you meet in middle at 1.65%?
-  **Steve Sokolowski** 13:27
one sec
ok, that's good 13:27
send the papers and we'll send the money 13:27
-  H **Hanson – Genesis** 13:37
In reply to [this message](#)
will be out in a few
are any of you going to be down at Consensus btw this week? 13:37
-  **Steve Sokolowski** 13:37
unfortunately not
-  H **Hanson – Genesis** 13:37
all good, next time 👍
-  **Deleted Account** 14:47
49.9992818 eth received
-  **Steve Sokolowski** 14:47
the other tx is there but unconfirmed
-  **Deleted Account** 14:48
ok will let you know when we see it
-  **Steve Sokolowski** 14:53
ok, confirmed ✅
-  **Deleted Account** 14:54
10.0007182 received

SS **Steve Sokolowski** 11:27
 there are rumors that Genesis has lent money to Three Arrows Capital – are those true?

H **Hanson – Genesis** 11:29
 Hey Steve
 How are you? Happy to chat on the phone 11:29

SS **Steve Sokolowski** 11:29
 sure
 I'm available whenever you are 11:29

H **Hanson – Genesis** 11:29
 Will 1-1 you

Genesis
 A Digital Currency Group Company

BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
open term	1.00%	open term	1.00%	open term	5.00%
1-month	2.50%	1-month	2.50%	1-month	6.00%
2-month	2.75%	2-month	3.50%	2-month	7.00%
3-month	3.00%	3-month	3.75%	3-month	8.00%
4-month	2.75%	4-month	3.50%	4-month	8.50%
5-month	2.50%	5-month	3.25%	5-month	8.25%
6-month	2.25%	6-month	3.00%	6-month	8.00%
7-month	2.00%	7-month	2.75%	7-month	7.75%
8-month	1.75%	8-month	2.50%	8-month	7.50%
9-month	1.65%	9-month	2.40%	9-month	7.25%
10-month	1.60%	10-month	2.35%	10-month	7.00%
11-month	1.55%	11-month	2.30%	11-month	7.00%
12-month	1.50%	12-month	2.25%	12-month	7.00%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
 *indicative rates as of June 13th, 2022. Genesis borrows unsecured. Rates are subject to change

Thanks for the time Steve as always we are here if you need anything. Including those updated rates for you as discussed 11:44

SS **Steve Sokolowski** 11:44
 ok, thanks – I'll get back to you later

H **Hanson – Genesis** 11:44
 You got it, we will be here 24/7

SS **Steve Sokolowski** 12:42
 so two questions

first, do you have exposure to Tether, like having lent money to the company itself or holding reserves in Tether? 12:43

and second, I tried to place an order to buy ETH on Monday morning and it just spun and no offer was made and it cancelled – is that normal? 12:43

I think that if you tell me that you aren't holding your rainy day fund in Tether then that would make me feel pretty good 12:45

- H** **Hanson – Genesis** 12:45
In reply to [this message](#)
No we do not work with the company Tether. We do facilitate trades in the name but hold no directional exposure
In reply to [this message](#) 12:45
Hmm was this an RFQ online? We can quote you right here in chat if you need
- SS** **Steve Sokolowski** 12:46
not now – I only was willing to buy at the price then
if prices get close to \$1k or lower I'll try again 12:46
- H** **Hanson – Genesis** 12:46
Okay sounds good, OTC desk here in chat as well for future apologies on that
- SS** **Steve Sokolowski** 12:46
thanks – we stay away from Tether at all costs and have always been suspicious of it
ok, I'll contact them here next time too if it fails on the website 12:46
- H** **Hanson – Genesis** 12:46
Thanks Steve
- 16 June 2022
- SS** **Steve Sokolowski** 12:44
hey hanson – I'm sure Genesis's balance sheets would look better with more fixed term loans, and I can pull in more bitcoins by clearing our BlockFi accounts, but I think the risk is really high right now and 4% seems more in line for a 3 month loan of 200 bitcoins
- H** **Hanson – Genesis** 12:44
Hey Steve
Certainly appreciate that, would you be willing to meet at 3.75%? 12:45
- SS** **Steve Sokolowski** 12:45
I only have authorization for 4 right now – I would need time on that
I'll have to get back to you later 12:45
- H** **Hanson – Genesis** 12:46
Okay sounds good, we can do 4% for you
Want to make sure you are hitting your target rates in this environment 12:46

- Can you let us know how much you will be pulling from BlockFi? 12:47
- SS** **Steve Sokolowski** 12:47
5% for 3 months of ETH, converting about 90% of the existing loan?
I need to calculate that – I think probably 2.5 or 3 more bitcoins – but I need to keep some of them open-term in case we run short while mining 12:48
- H** **Hanson – Genesis** 12:48
Okay, can you please confirm? Was under assumption this was 200 BTC
- SS** **Steve Sokolowski** 12:49
oh, no we were talking about converting the existing loan and adding more
- H** **Hanson – Genesis** 12:50
In reply to [this message](#)
ah okay sure thing, rerate current ~200 BTC on OT to 3 month FT 4%
just let us know the exact amount from blockfi because we need to send that TS for the new balance 12:51
- SS** **Steve Sokolowski** 12:52
ok, I will get you all these numbers shortly
before we talk about ETH, are you doing anything with staking and ETH? 12:52
- H** **Hanson – Genesis** 12:52
In reply to [this message](#)
We can do 5% here for 3 month FT on the ETH, again just let us know exactly numbers you want
In reply to [this message](#) 12:52
at this time no but we will look to support ETH staking out of our Cold Storage Custody product post merge
- SS** **Steve Sokolowski** 12:52
no actually that's the answer I wanted
I wanted to make sure none of the ETH I'm giving you is staked 12:53
- H** **Hanson – Genesis** 12:53
ah okay haha yes we have zero exposure to stETH
We are not taking your ETH and staking it to generate yield 12:53
- SS** **Steve Sokolowski** 12:53

which to me seems to be the root cause of all the problems right now, because people were dumb and didn't realize the merge wouldn't unlock it

what is the best rate you can do for dollars? if it's long term I need much higher because the Fed is going up

 **Hanson - Genesis** 12:55
In reply to [this message](#)
What rate hurdle do you have here say for 3 month FT

 **Steve Sokolowski** 12:56
if the Fed raises rates 2% total over 3 months, that means I need 2% more, or 11.5%
otherwise I might as well just pay off my debts to Wells Fargo 12:56

 **Deleted Account** 12:57
We can do 11.5%

 **Steve Sokolowski** 12:58
ok, give me a little time because I need to figure out the worst case scenario for our payroll
we don't want to cause layoffs as a result of locking too much up 12:58

 **Deleted Account** 12:58
okay makes sense let us know

 **Steve Sokolowski** 12:58
thx, will get back to you soon
and would you be willing to commit to those rates for a longer term? 13:06
not the USD rates, because that would need to be higher 13:06
but the other two 13:06

 **Deleted Account** 13:06
preference would be to keep at 3 months ft

 **Steve Sokolowski** 13:07
ok

 **Steve Sokolowski** 13:28
to clarify, the interest is still paid monthly, so the coins can be sold for the taxes immediately?
or does the interest get paid at the end of the loan? 13:28

 **Deleted Account** 13:29

interest is paid monthly

SS Steve Sokolowski 13:29
thx

SS Steve Sokolowski 14:35
ok, these deals sound good in principle, but we won't have enough information to sign today, so hopefully you'll still be available tomorrow

I apologize for the delay, our finance manager is calculating expenses and there are withdrawal delays from Ledn and BlockFi 14:36

we don't want any withdrawals today so it's to your benefit anyway – have a good evening! 14:37

H Hamill 14:45
have a good evening @SteveSokolowski

17 June 2022

SS Steve Sokolowski 06:57
good morning – I'm ready to deal with the ETH now – if you can do 1550 at the 5% 3-month rate discussed yesterday, and keeping the other 84 or so at the current 2.5% open-term rate, send me the sheets and we can sign that

Deleted Account 08:06
Morning Steve

Sounds good will send you a termsheet 08:06

27 June 2022

SS Steve Sokolowski 08:01
good morning! for whoever deals with this, is it possible to set a ratio of 0.37 of our bitcoin payouts wired to our bank account, with all other bitcoin interest and other coin interest in-kind?

if your system doesn't support that, I understand 08:01

if there's an automated way to do it, then I don't have to contact your withdrawals team and waste their time every month to do that second step 08:02

Deleted Account 08:03
not something we're able to facilitate at the moment

SS Steve Sokolowski 08:04
ok, no problem

so how is our bitcoin interest being paid right now? 08:04

- if everything is in-kind, then that's what I want

I can take care of the rest

08:05

08:05
- Deleted Account**

in-kind

08:20
- SS** **Steve Sokolowski**

everything's good then, thanks for your help

08:22

28 June 2022

Steve Sokolowski invited Michael Steward

- SS** **Steve Sokolowski**

FYI, I added Michael Steward, an employee who I allowed to keep his paychecks earning interest

08:56
- H** **Hanson – Genesis**

Hi Michael nice to meet you

08:56
- MS** **Michael Steward**

Hi nice to meet everyone

08:58
- H** **Hamill**

nice to meet you [Michael](#)

08:59

29 June 2022

- SS** **Steve Sokolowski**

I'll be sending a relatively large withdrawal request of \$104,371.31 for this month's bills to the operations address

unfortunately, we took a huge hit from Celsius and need to cover that loss :(

will have that for you first thing in the morning

15:14

15:14

15:15
- Deleted Account**

sorry to hear that. We will have out tomorrow morning

15:16
- Deleted Account**

email seen we will have out tomorrow

16:56
- SS** **Steve Sokolowski**

thx, have a good night

17:00

-  Deleted Account 17:05
you too
-  Steve Sokolowski 21:52
I sent a new message to the operations address reducing the amount required by \$12039
otherwise, I responded to Jonathan who was sending a test tx – have a good night 21:52
-  Hanson – Genesis 21:53
Thanks Steve
- 30 June 2022
-  Steve Sokolowski 06:47
I tried to respond to Jonathan and your mailserver returned the following error:
" <JYong@Genesistrading.com>: host
us-smtp-inbound-1.mimecast.com[205.139.110.141] said: 550 Administrative
prohibition – envelope blocked –
<https://community.mimecast.com/docs/DOC-1369#550>
[_wZkxaB2MumXn86n_mz_-w.us26] (in reply to RCPT TO command)" 06:47
but I still believe the operations@genesiscap.co address received the new amount, let me
know if not 06:47
-  Hamill 07:07
In reply to [this message](#)
Morning @SteveSokolowski checking with team here
-  Steve Sokolowski 07:47
in the notes for that error message, the directions are " Delete or modify the Blocked Senders
policy to exclude the sender address."
so your mailserver must be configured to reject my messages to Jonathan 07:47
-  Hamill 07:48
I see an email at 9:52 from you
-  Steve Sokolowski 07:48
yes, operations@genesiscap.co seems to receive them fine
it's only to personal addresses on that server 07:48
-  Hamill 07:49
got it

call amount \$25,058.41 correct? 07:49

SS Steve Sokolowski 07:50
 yes
 for USDC 07:50

H Hamill 07:50
 got it. we'll send USDC

Deleted Account 08:50
 usdc test txid
 [REDACTED]
 [REDACTED]ba07

SS Steve Sokolowski 08:54
 looking now
 received ✓ 09:07

Deleted Account 09:09
 ty bal out shortly

Deleted Account 09:59
 usdc txid
 [REDACTED]
 [REDACTED]be8f

SS Steve Sokolowski 10:05
 thx, received
 and wire received too, thx 10:06

Deleted Account 10:06
 np

14 July 2022

SS Steve Sokolowski 11:21
 hey, I just wanted to check in and see whether you are open to renegotiation on the USDC interest rates – we negotiated the current rates when the Fed's rate was zero, and now it's going to be at least 2.5% higher
 the debt I'm holding at Wells Fargo is going to approach the rate you're offering next week 11:24



Deleted Account

11:24

Hey Steve, you're actually well above our current rates that we are showing to most folks

Genesis
A Digital Currency Group Company

BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	2.00%	Open Term	2.00%	Open Term	2.00%
1-month	3.00%	1-month	3.00%	1-month	2.75%
2-month	3.25%	2-month	3.25%	2-month	3.00%
3-month	3.50%	3-month	3.50%	3-month	3.25%
4-month	3.75%	4-month	3.75%	4-month	3.50%
5-month	4.00%	5-month	4.00%	5-month	3.75%
6-month	4.25%	6-month	4.25%	6-month	4.00%
7-month	4.50%	7-month	4.50%	7-month	4.25%
8-month	4.00%	8-month	4.00%	8-month	3.50%
9-month	3.90%	9-month	3.90%	9-month	3.50%
10-month	3.85%	10-month	3.85%	10-month	3.50%
11-month	3.80%	11-month	3.80%	11-month	3.50%
12-month	3.75%	12-month	3.75%	12-month	3.50%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of July 11th, 2022. Genesis borrows unsecured. Rates are subject to change.

11:24

Here are our current rates for color

11:24

If you would like to lock up the funds for 12 months happy to show you 100bp improvement to the card

11:25



Steve Sokolowski

11:25

hmmm, that's a big commitment because the Fed could go up more than 1%

ok, well thanks - I'll evaluate what they do in July and decide whether it's better for me to just pay down my debt

11:25



Deleted Account

11:26

sounds good

18 July 2022



Steve Sokolowski

12:17

hey, just wanted to pass this information on in case you aren't aware of it

there's all these rumors about Coinbase

12:17

Coinbase recently stopped processing our 2000 payouts with 3 day "security holds"

12:17

this just started this weekend and no support person seems to know why these holds are occurring, and our account didn't change

12:17

you can take that for what it's worth, but I thought it might be useful for you to know

12:18



Reed Werbit

12:18

Thanks for the color Steve

bau on our end regarding CB

12:18

but appreciate the heads up

12:18

28 July 2022

 **Steve Sokolowski** 10:40
I sent tomorrow's payroll of 64500 to your E-Mail address; don't process it today, but you have the information in case you need to take action before tomorrow – thanks!

 **Deleted Account** 10:42
noted thanks

29 July 2022

 **Deleted Account** 08:00
will have this out today

 **Steve Sokolowski** 08:01
thanks!

 **Deleted Account** 12:13
sent with ref # 20220729MMQFMPUR000762

 **Steve Sokolowski** 12:30
thanks again!

11 August 2022

 **Steve Sokolowski** 12:20
quick question – is it an option with you to extend the term of an existing loan at a higher rate before expiration?

or, do you want all loans to expire before negotiating a longer term? 12:21

 **Deleted Account** 12:22
Hey Steve, we would need to wait until expiration to negotiate a new loan

 **Steve Sokolowski** 12:23
ok, no problem

24 August 2022

 **James Webster** 13:53
Hello, I'd like to get some help to answer a question about interest accrued in June.

 **Deleted Account** 13:54
Hey James– how can we help

-  **James Webster** 13:54
I see that in June, there was interest accrued on BTC loans.
The June 30 statement says 0.30360589 BTC interest and \$4,108.72 USD interest 13:55
- Deleted invited Deleted Account
-  **James Webster** 13:56
On the July 31 statement, I see that a new BTC loan originated (Loan 157392 for 0.30360589 BTC)
However, I am not able to find a new USD loan for \$4,108.72 13:56
And I am not able to figure out where that USD ended up. 13:57
-  **Deleted Account** 13:58
we'll take a look and come back here shortly
-  **James Webster** 13:58
Thanks!
-  **Deleted Account** 14:11
Hey James not seeing the USD figure you mentioned in the july statement
-  **Statement_Cryptocurrency Management LLC_July2022_All.pdf** 14:11
Not included, change data exporting settings to download.
199.9 KB
-  **James Webster** 14:13
I'm looking at the June 30 statement (not July)

Hanson – Genesis converted this group to a supergroup

Cryptocurrency Management LLC <> Genesis converted a basic group to this supergroup
«Cryptocurrency Management LLC <> Genesis»
-  **Deleted Account** 14:38
Hey James. Apologies, looks like this compound was missed. We will update now and make the necessary changes to July as well.
-  **James Webster** 14:39
Great, thank you!
-  **Deleted Account** 15:08

No problem, should be all set now. Let me know if you have any other questions

26 August 2022

-  **Steve Sokolowski** 11:33
hi guys – it looks like BlockFi is willing to offer 3% open term on ETH
we have an additional 60+ ETH and would make a withdrawal of our ETH here 11:33
are you willing to match that or should I request a withdrawal? 11:33
-  **image_2022-08-26_11-35-45.png** 11:35
Not included, change data exporting settings to download.
105.5 KB
-  **Deleted Account** 11:36
hey @SteveSokolowski
-  **Steve Sokolowski** 11:38
hey Chris – to clarify, I either want to call loan 156358, or raise that to 3% and add an additional 60 or so
-  **Hamill** 11:38
hey @SteveSokolowski we cant match that at the moment, we'd pass at that level.
-  **Steve Sokolowski** 11:39
ok, in that case I'll send you an E-Mail after confirming with my brother
thanks 11:39
-  **Hamill** 11:40
sounds like a plan
-  **Steve Sokolowski** 11:52
to clarify, if Genesis is borrowing ETH at the time of the merge and a fork occurs, I would have to withdrawal to be entitled to those forked coins?
I guess that is just a general question on how you handle all forks, including those on bitcoin 11:53
-  **Hanson – Genesis** 11:54
Hey Steve
in the MBA we outline what happens/occurs during forks 11:55
believe it is section 5 11:55

- SS** **Steve Sokolowski** 11:55
I'm assuming that since you don't have the coins there is no way you could offer coins
in forks 11:55
- H** **Hanson – Genesis** 11:55
basically its related to trading volume + market cap of the fork
- SS** **Steve Sokolowski** 11:55
ok, I'll read that, thx
oh, that's surprising to me, I thought that since you lend out the money you wouldn't be
able to get the forked coins anyway 11:55
- H** **Hanson – Genesis** 11:56
We will be actively working with both lenders + borrowers in the event that our clause is triggered
in both our legal docs
Expecting a busy but smooth week or so if/when it occurs 11:56
- SS** **Steve Sokolowski** 11:57
ok, thanks for the info
- H** **Hanson – Genesis** 11:58
Not a problem, let me know if anything else I can help with
- 29 August 2022
- SS** **Steve Sokolowski** 10:49
I forwarded this month's payroll to operations
I'll have the ETH withdrawal to BlockFi tomorrow or Wed 10:50
thanks! 10:50
- Deleted Account** 10:51
thanks
- Deleted Account** 11:11
we sent a test to
[REDACTED]29e9
txid is
[REDACTED]
[REDACTED]854f

-  **Steve Sokolowski** 11:11
thanks, checking
confirmed  11:19
-  **Deleted Account** 11:23
bal txid
[REDACTED]
[REDACTED]892c
usd sent as well with ref # 20220829MMQFMPUR002096 11:25
-  **Steve Sokolowski** 11:27
thx – it's amazing that you provide such quick service, nobody else comes even close
-  **Deleted Account** 11:27
much appreciated!

30 August 2022

Reed Werbitt removed Reed Werbitt

31 August 2022

-  **Steve Sokolowski** 14:08
I sent the withdrawal request for the open term ETH
should have it in your inbox 14:09
-  **Deleted Account** 14:21
Hey Steve, see the email
we'll start working on this now 14:21
-  **Steve Sokolowski** 14:21
thx
-  **Deleted Account** 14:52
Hey Steve, could you please upload
[REDACTED]0c9b
as a lending settlement address on Prime?
-  **Steve Sokolowski** 14:52
sure, will do that shortly
ok, done 14:58

Deleted Account 15:09
Hey Steve, I see the 2.5% borrows as 84.02219280599 total units. Agree?

Steve Sokolowski 15:12
there are some open term loans listed at a higher rate
the total number of open term loans was 84, I think, but the loans to be called are the loans 15:13
at lower than 3%

Deleted Account 15:18
ok test out shortly

Steve Sokolowski 15:18
thanks, will check

Deleted Account 15:24
test txid
[REDACTED]
[REDACTED]b4f8

Steve Sokolowski 15:31
received ✓

Deleted Account 15:31
you have a moment to speak on the phone?

Steve Sokolowski 15:31
sure

 **image_2022-08-31_15-34-04.png** 15:34
Not included, change data exporting settings to download.
249.7 KB

Deleted Account 15:38
ty for speaking bal out shortly

Steve Sokolowski 15:38
thanks again!

Deleted Account 15:45
bal txid
[REDACTED]

SS Steve Sokolowski 08:19
will do, thx

12 September 2022

SS Steve Sokolowski 10:09
good morning, Hanson, or whomever this might be best addressed to – I'd be interested in a brief call to discuss the renewal of the ETH loan whenever someone has time
as well as the Sep 20 bitcoin loan, too 10:09

H Hanson – Genesis 10:10
Hi Steve
good morning to you as well 10:10
happy to chat, did you have some specific questions in mind? on an internal call at the moment but can call you at 11am ET if that works 10:10

SS Steve Sokolowski 10:11
sure, that's fine, no rush
I want to discuss staking and blockfi as alternatives in particular 10:11
and want to get an idea of your rates and, if they are less, the advantages of you 10:11
because those Coinbase ETH tokens are actually trading below market rate now 10:12
anyway, talk to you at 11 10:12

15 September 2022

SS Steve Sokolowski 14:26
I was reading BlockFi's "transparency reports" – does Genesis have a report like that published anywhere?

H Hanson – Genesis 14:28
Hey Steve
Are you referring to their Q2 quarterly report? 14:28

SS Steve Sokolowski 14:29
yes, articles like this one: <https://blockfi.com/blockfi-transparency-report-Q2-2022>

H Hanson – Genesis 14:29
We also publish those <https://genestrading.com/about/quarterly-reports/> which provides more insight into our business in addition to the conversations that you and I have had over the last few months



Steve Sokolowski

14:29

ah, great, that's what I'm looking for, thanks



Hanson - Genesis

14:29

No worries

Looks like they started to publish them recently, we have been producing those since 2018 which you can see on that link above on our site



Steve Sokolowski

14:30

yep, I understand, I'm just reading the reports from Ledn and BlockFi and think I know what yours generally say, but just wanted to read the actual document

20 September 2022



Hanson - Genesis

07:39

Genesis A Digital Currency Group Company					
BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.00%	Open Term	1.00%	Open Term	4.00%
1-month	1.50%	1-month	1.50%	1-month	4.50%
2-month	1.75%	2-month	1.75%	2-month	5.00%
3-month	2.00%	3-month	2.00%	3-month	5.50%
4-month	2.50%	4-month	2.50%	4-month	6.00%
5-month	2.75%	5-month	3.00%	5-month	6.50%
6-month	3.00%	6-month	3.50%	6-month	7.00%
7-month	3.25%	7-month	3.75%	7-month	7.50%
8-month	3.50%	8-month	4.00%	8-month	8.00%
9-month	3.75%	9-month	4.25%	9-month	8.50%
10-month	3.85%	10-month	4.50%	10-month	9.00%
11-month	4.00%	11-month	4.75%	11-month	9.50%
12-month	4.25%	12-month	5.00%	12-month	10.00%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
 * Indicative rates as of September 19th 2022. Genesis borrows unsecured. Rates are subject to change.

Hi @SteveSokolowski good morning. For the expiring BTC loan we can roll at these updates rates here if any cares

Please let us know how you would like to proceed, thank you!



Steve Sokolowski

07:45

are those the absolute best rates you can do?

unfortunately, you are being outbid by Ledn and BlockFi



Deleted Account

07:46

what are you seeing away?



Steve Sokolowski

07:51



image_2022-09-20_07-51-12.png

Not included, change data exporting settings to download.

108.3 KB

-  Deleted Account 07:58
can match on the 3 month if you have cares there
-  Steve Sokolowski 08:03
ok, if you can give me until my brother gets up around 1pm, could I get back to you this afternoon?
-  Deleted Account 08:06
that works thanks Steve
-  Steve Sokolowski 08:12
great, talk to you then
- hey Griffin, you said that you can't match BlockFi for the longest term, but could you come close – like they said 6.75, so could you do 6.25% at a year? 08:24
-  Deleted Account 08:29
hard to get there, could do 5% for 12 months
-  Steve Sokolowski 08:30
ok, thanks will discuss and get back to you this afternoon
-  Steve Sokolowski 11:34
Griffin, do your contracts have an early termination with penalty clause, like BlockFi's do?
-  Deleted Account 11:35
Will take a look. Typically there is no ability to break the loan early
-  Steve Sokolowski 11:36
ok, please do – thanks
- I'm talking about the year-long term in particular 11:36
-  Deleted Account 11:56
confirmed there is no ability to break the loan prior to expiration
-  Steve Sokolowski 11:56
ok, thanks
-  Deleted Account 11:56
np

21 September 2022

SS Steve Sokolowski 07:45
I want to apologize for the delay; we have calls with BlockFi and Ledn today and anticipate making a decision on the bitcoins today – if you can give us until the end of the day today, I promise I will be able to tell you one way or the other

Deleted Account 07:45
sure thing no issue

SS Steve Sokolowski 10:28
Griffin, I had a few questions for you about Genesis's books – would it be easier to talk to you over the phone for five minutes, or did you want me to ask them here?

it might be easier to speak rather than just go back and forth here for a long time 10:28

Deleted Account 10:29
Hey Steve, sure happy to chat

SS Steve Sokolowski 10:30
maybe just give me a Telegram call

26 September 2022

Deleted Account 07:19
Hi Steve, see your email

SS Steve Sokolowski 07:19
thx

Deleted Account 07:19
can you please add [REDACTED] 7h5B as a lending settlement address on Prime?

SS Steve Sokolowski 07:19
sure, will do now

ok, added 07:25

Deleted Account 08:53
test txid
[REDACTED]
[REDACTED] bbd2

SS Steve Sokolowski 08:53
thx, checking



Steve Sokolowski

09:09

just waiting on my contact to get into the office; she normally arrives at 9:45, to be absolutely sure it's the right address

things seem fine but with so much money want to double-check, will get back to you shortly

09:09



Deleted Account

09:10

ok sure



Steve Sokolowski

10:40

approved



Deleted Account

10:48

thanks for speaking. Will let you know once balance is out

txid

10:53

[Redacted txid]

[Redacted txid]c21d



Steve Sokolowski

10:54

they report it as received

thx for your help

10:54



Deleted Account

10:54

np

29 September 2022



Steve Sokolowski

12:56

could you send me one of your rate images?



Conor M – Genesis

12:57

Genesis A Digital Currency Group Company					
BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.00%	Open Term	1.00%	Open Term	4.00%
1-month	1.25%	1-month	1.25%	1-month	4.25%
2-month	1.50%	2-month	1.50%	2-month	4.75%
3-month	1.75%	3-month	1.75%	3-month	5.25%
4-month	2.25%	4-month	2.25%	4-month	5.75%
5-month	2.50%	5-month	2.75%	5-month	6.25%
6-month	2.75%	6-month	3.25%	6-month	6.75%
7-month	3.00%	7-month	3.50%	7-month	7.25%
8-month	3.25%	8-month	3.75%	8-month	7.75%
9-month	3.50%	9-month	4.00%	9-month	8.25%
10-month	3.80%	10-month	4.25%	10-month	8.75%
11-month	3.75%	11-month	4.50%	11-month	9.25%
12-month	4.00%	12-month	4.75%	12-month	9.75%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
 * Indicative rates as of September 28th 2022. Genesis borrows unsecured. Rates are subject to change.

Hi Steve – please see above

-  **Steve Sokolowski** 12:57
thx
these rates change on Mondays, right? 12:57
-  **Deleted Account** 12:58
yes
-  **Steve Sokolowski** 12:58
great, thanks, I may get back to you tomorrow to negotiate
have a great afternoon 12:58
-  **Deleted Account** 12:58
sounds good you too Steve

Michael Paleokrassas removed Michael Paleokrassas

Matt Ballensweig removed Matt Ballensweig

4 October 2022

-  **Steve Sokolowski** 10:03
in light of your Telegram security issues, you might want to consider researching Mattermost for your clients
- Hanson – Genesis removed Deleted Account

 **Hanson – Genesis** 10:03
Thanks Steve

-  **Steve Sokolowski** 10:03
we use it in our business and you can guarantee that nobody else could get access
it's basically like Telegram but is free and can be hosted internally 10:04

just a suggestion for the engineers

10:04



Hanson - Genesis

10:05

Will convey that on to our security/tech team, appreciate it. In the interim here please be extra vigilant for all communications with our team and we will be in touch going forward with further updates. If you have any questions it would be best to direct them here to main chat (not DM's) or sales@genesistrading.com



Steve Sokolowski

10:06

ok, no problem

6 October 2022



Steve Sokolowski

10:21

hi - could you send me one of your rate images, particularly 1-3 month loans for ETH?



Hanson - Genesis

10:21

Hey Steve

Genesis A Digital Currency Global Company								
BTC		ETH		USD				
Duration	Rate	Duration	Rate	Duration	Rate			
Open Term	1.00%	Open Term	1.00%	Open Term	4.00%			
1-month	1.25%	1-month	3.25%	1-month	4.25%			
2-month	1.50%	2-month	3.50%	2-month	4.75%			
3-month	2.75%	3-month	2.75%	3-month	5.25%			
4-month	3.50%	4-month	3.50%	4-month	5.75%			
5-month	4.50%	5-month	4.50%	5-month	6.25%			
6-month	5.00%	6-month	5.00%	6-month	6.75%			
7-month	4.75%	7-month	4.75%	7-month	7.25%			
8-month	4.50%	8-month	4.50%	8-month	7.75%			
9-month	4.25%	9-month	4.25%	9-month	8.25%			
10-month	4.00%	10-month	4.00%	10-month	8.75%			
11-month	3.75%	11-month	3.75%	11-month	9.25%			
12-month	3.50%	12-month	3.50%	12-month	9.75%			

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of October 3rd, 2022. Genesis borrows unsecured. Rates are subject to change.

10:21

Here is our current rate chart



Steve Sokolowski

10:22

thx



Hanson - Genesis

10:22

No problem, best bid for 6 month duration across BTC/ETH at the moment



Steve Sokolowski

10:22

yeah, we're glad we got that for a year last week

I realized our payroll only occurs once per month and therefore there's no reason to have OT loans on ETH when they could be 1 month

10:22

I'll do math and get back tomorrow

10:22



Hanson - Genesis

10:23

Sounds good

11 October 2022

SS

Steve Sokolowski

09:58

hi Hanson, could you send me this week's rate image?

H

Hanson – Genesis

09:59

hey Steve

Genesis					
A Digital Currency Group Company					
BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.00%	Open Term	1.00%	Open Term	4.00%
1-month	1.25%	1-month	1.25%	1-month	4.25%
2-month	1.50%	2-month	1.50%	2-month	4.75%
3-month	2.00%	3-month	2.75%	3-month	5.25%
4-month	2.50%	4-month	3.50%	4-month	5.75%
5-month	3.00%	5-month	4.50%	5-month	6.25%
6-month	3.50%	6-month	5.00%	6-month	6.75%
7-month	4.00%	7-month	4.75%	7-month	7.25%
8-month	4.50%	8-month	4.50%	8-month	7.75%
9-month	5.00%	9-month	4.25%	9-month	8.25%
10-month	4.50%	10-month	4.00%	10-month	8.75%
11-month	4.00%	11-month	3.75%	11-month	9.25%
12-month	3.50%	12-month	3.50%	12-month	9.75%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
 * Indicative rates as of October 10th, 2022. Genesis borrows unsecured. Rates are subject to change.

09:59

SS

Steve Sokolowski

09:59

thanks!

H

Hanson – Genesis

09:59

Best bid for 9 month BTC and 6 month ETH

Let us know if any cares there or rate/durations you had in mind as you are assessing the market

SS

Steve Sokolowski

10:00

your rates for those terms are exceptional and we would take them – but the problem is that you and BlockFi have different yield curves

this is business money that might be needed in 3 months

they don't pay as well for the long term loans

H

Hanson – Genesis

10:01

where are you seeing the 3 month loans?

In reply to [this message](#)

understood np

SS

Steve Sokolowski

10:01

I asked Erin if anything changed since last week

let me get her latest rates and will get back to you



Hanson - Genesis

10:03

Sure thing no rush, appreciate it Steve

Hanson - Genesis invited Deleted Account



Steve Sokolowski

11:59



image_2022-10-11_11-59-23.png

Not included, change data exporting settings to download.

42.9 KB

I think that 3 months is probably the longest we can go with this business money

11:59

so you can see that you probably would negotiate higher for the 6 month terms but your lower terms aren't as competitive

12:00



Hanson - Genesis

12:03

understood, thanks for the color Steve its very appreciated

not sure we will be able to match 4.5% for a 3 month FT on BTC/ETH, those are high rates

12:05



Steve Sokolowski

12:57

ok, thanks

I'll keep asking for images every week

12:57

Hamill invited Leroy-eggenesis

18 October 2022



Hanson - Genesis

15:01

Genesis A Digital Currency Great Company											
BTC			ETH			USD					
Duration	Rate		Duration	Rate		Duration	Rate				
Open Term	1.00%		Open Term	1.00%		Open Term	4.00%				
1-month	1.50%		1-month	2.00%		1-month	5.50%				
2-month	2.00%		2-month	3.00%		2-month	6.00%				
3-month	3.50%		3-month	4.00%		3-month	6.50%				
4-month	4.50%		4-month	5.00%		4-month	7.00%				
5-month	5.00%		5-month	6.00%		5-month	7.50%				
6-month	5.50%		6-month	5.75%		6-month	8.00%				
7-month	6.00%		7-month	5.50%		7-month	8.50%				
8-month	5.75%		8-month	5.25%		8-month	9.00%				
9-month	5.50%		9-month	5.00%		9-month	9.50%				
10-month	5.25%		10-month	5.00%		10-month	10.00%				
11-month	5.00%		11-month	5.00%		11-month	10.50%				
12-month	4.75%		12-month	5.00%		12-month	10.75%				

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of October 17th, 2022. Genesis borrows unsecured. Rates are subject to change.

Hey @SteveSokolowski good afternoon, sending along our latest rate card for your reference. Continue to be best bid for that longer term duration but have seen a healthy clip higher overall if you have any cares along the curve



Steve Sokolowski

16:03

thx - I am in a meeting right now but will discuss this and talk tomorrow

H Hanson – Genesis 16:48
Sounds good Steve thank you!

20 October 2022

SS Steve Sokolowski 09:24
hi Hanson – unfortunately, BlockFi still beats you just barely for the 3 month loans; however, if you want to increase the term for all the ETC to 1 month at 9%, you can send a term sheet

H Hanson – Genesis 09:26
Hey Steve, are you asking about ETH or ETC?

SS Steve Sokolowski 09:26
ETC

H Hanson – Genesis 09:26
We aren't looking to do fixed term loans for ETC

SS Steve Sokolowski 09:26
ok

with the ETH, I'll wait for a little higher, if that comes 09:26

the longer terms for ETH are exceptional 09:27

H Hanson – Genesis 09:27
Sure, what is your hurdle rate? How many units are you looking to lend out

SS Steve Sokolowski 09:27
give me a minute

H Hanson – Genesis 09:27
Sure thing no rush

SS Steve Sokolowski 09:30
before I or you do a lot of math I think that I could make money by paying an early termination fee to BlockFi and taking your 5 month loans somewhere above 7%

is that anywhere close? 09:30

for ETH, that is 09:30

H Hanson – Genesis 09:30
How many units are you thinking here?

- SS** Steve Sokolowski 09:30
need to login, hold on
- ok, so I would need to talk with my brother and would need to do careful math, so this isn't a commitment, but my guess is that 7.5% for 300 at 5 months would be enough to offset the BlockFi termination fee 09:34
- H** Hanson – Genesis 09:35
Thanks Steve let us discuss and get back
- SS** Steve Sokolowski 09:37
I might even be willing to allow your trading desk to trade some of the other coins earning lower rates into ETH at that rate
- H** Hanson – Genesis 09:40
What coins are you looking to trade?
- SS** Steve Sokolowski 09:41
the dogecoins come to mind
- but I would need to look at charts about that one 09:41
- again just to be clear I would need to do some calculations on taxes, etc 09:41
- H** Hanson – Genesis 09:48
Can you do 7.25% for 5 month? For that notional can improve slightly from the 6% shown on the rate card
- SS** Steve Sokolowski 09:50
I sent out a message to BlockFi clarifying the penalty terms
- once I get a response I'll be able to reply to that 09:50
- H** Hanson – Genesis 09:50
Okay sounds good, thanks Steve
- SS** Steve Sokolowski 09:50
obviously I'll only do this if I make money
- so there may be a hard limit 09:50
- SS** Steve Sokolowski 10:46
ok, I got the response and it turns out that BlockFi counts partial months remaining in the loan as whole months for their penalty calculations, which means that I undercounted by 1% and the math doesn't work out until November 1

so if you're still offering these rates in two weeks, I'll be glad to reconsider 10:46

H **Hanson – Genesis** 10:48
 Sounds good, will make sure to check in with you Nov 1, thanks as always Steve
 Let us know if we can help with anything 10:48

SS **Steve Sokolowski** 10:48
 no problem, have a great day

H **Hanson – Genesis** 10:48
 you too!

SS **Steve Sokolowski** 15:55
 hey Hanson, just thought of something, I had figured that you weren't interested in smaller amounts of ETH, like 100
 because we do have open term loans for that amount and could crunch number for small amounts like that 15:56
 oops – scratch that; I made an error, looks like we need to keep that open term, so I'll get back to you on Nov 1 16:06

H **Hanson – Genesis** 16:08
 Okay no worries
 Thanks Steve will revisit 11/1 16:08

31 October 2022

SS **Steve Sokolowski** 07:57
 good morning! we're short on payroll by \$10,000, so I'm going to send an E-Mail to you

Deleted Account 08:29
 Hey [@SteveSokolowski](#) see your email. We'll work on processing the withdrawal

Deleted invited Deleted Account

Deleted invited Brian Nathan – Genesis

SS **Steve Sokolowski** 08:30
 thx – with the dogecoin price increase, we may be back to giving you money as soon as next month, things are looking up
 on an unrelated note, I wanted to share that I was a little disappointed about how Genesis handled the ETHW fork 08:31

BlockFi gave us thousands of free dollars and Genesis paid out nothing 08:31

and unfortunately how Genesis handled the fork would have to be considered in interest 08:31
rates when comparing in the future

just a suggestion for management for what it's worth, I know you don't have anything 08:32
personally to do with it Griffin

 Deleted Account 08:35
Let me look into this and revert

 Steve Sokolowski 08:36
oh, well thanks for that, I didn't expect you would be able to do anything

I think they were able to get like \$7 for each coin, so I was wondering what Genesis did with 08:37
the money, perhaps it just goes into general funds

 Hanson – Genesis 10:24
Hi @SteveSokolowski

 Steve Sokolowski 10:24
hey Hanson

 Hanson – Genesis 10:25

(c) Lender's Right to New Tokens

Lender will receive the benefit and ownership of any incremental tokens generated as a result of a Hard Fork in the Digital Currency protocol or an Applicable Airdrop (the "New Tokens") if following two conditions are met:

- **Market Capitalization:** the average market capitalization of the New Token (defined as the total value of all New Tokens) on the 30th day following the occurrence the Hard Fork or Applicable Airdrop (calculated as a 30-day average on such date) is at least 5% of the average market capitalization of the Loaned Assets (defined as the total value of the Loaned Assets) (calculated as a 30-day average on such date).
- **24-Hour Trading Volume:** the average 24-hour trading volume of the New Token on the 30th day following the occurrence the Hard Fork or Applicable Airdrop (calculated as a 30-day average on such date) is at least 1% of the average 24-hour trading volume of the Loaned Assets (calculated as a 30-day average on such date).

I will message you on the side here and can chat futher, but ultimately "ETHW" did not meet the criteria outlined in our MBA in which we would be obligated to send our ETH lenders the new token

 Steve Sokolowski 10:25
oh, I understand that you aren't obligated to give these tokens

I'm not asking you to give them 10:25

I'm just saying that BlockFi did and it's a competitive advantage 10:25

so I just wanted to point that out for future reference because it was worth about 0.5% 10:27

you might want to suggest to management that they consider changing the policy, that was 10:28
all

anyway, thanks for looking into it 10:28

- H** Hanson – Genesis 10:28
Understood, not sure how their legal documents are structured but also for your knowledge our arrangements with lenders/borrowers is symmetrical so we also were not receiving any tokens on the other side of our book when applicable
- In reply to [this message](#) 10:29
Which we discussed back in August prefork to alert you of what would and would not trigger
- SS** Steve Sokolowski 10:29
ah, ok, so they probably kept the tokens
- H** Hanson – Genesis 10:30
That is correct as we did not have legal recourse to them as ETHw ended up being less than 1% of the 30 day average of ETH so our clause did not trigger
- on a market cap basis 10:30
- SS** Steve Sokolowski 10:31
ok, well thx for your clarification
- H** Hanson – Genesis 10:32
no problem, for future in that section 5 of the MBA we also outline how we give you the right as the lender to terminate a loan if you are expecting a hard fork
- even if it is FT 10:32
- (b) No Immediate Termination of Loans Due to Hard Fork 10:33
- In the event of a Hard Fork in the blockchain for any Loaned Assets or an Airdrop, any outstanding Loans will not be automatically terminated. **Borrower and Lender may agree, regardless of Loan type, either (i) to terminate a Loan without any penalties on an agreed upon date or (ii) for Lender to manage the Hard Fork on the behalf of Borrower. Nothing herein shall relieve, waive, or otherwise satisfy Borrower's obligations hereunder, including without limitation, the return of the Loaned Assets at the termination of the Loan and payment of accrued Loan Fees, which includes the per diem amounts for days on which Borrower transfers Digital Currency to Lender and Lender transfers said Digital Currency back to Borrower pursuant to this section.**
- (c) Lender's Right to New Tokens
- Lender will receive the benefit and ownership of any incremental tokens generated as a result of a Hard Fork in the Digital Currency protocol or an Applicable Airdrop (the "New Tokens") if following two conditions are met:
- **Market Capitalization:** the average market capitalization of the New Token (defined as the total value of all New Tokens) on the 30th day following the occurrence the Hard Fork or Applicable Airdrop (calculated as a 30-day average on such date) is at least 5% of the average market capitalization of the Loaned Assets (defined as the total value of the Loaned Assets) (calculated as a 30-day average on such date).
 - **24-Hour Trading Volume:** the average 24-hour trading volume of the New Token on the 30th day following the occurrence the Hard Fork or Applicable Airdrop (calculated as a 30-day average on such date) is at least 1% of the average 24-hour trading volume of the Loaned Assets (calculated as a 30-day average on such date).
- SS** Steve Sokolowski 10:33
ah, I didn't know that – thanks
- that makes me less worried about fixed term loans in the future 10:34
- also got the message about the withdrawal – thanks 10:34
- H** Hanson – Genesis 10:35
👍👍 no problem thanks Steve, let us know if we can help with anything else

SS

Steve Sokolowski

15:21

could you send me your rate image for this week?

H

Hanson – Genesis

15:24

Genesis A Digital Currency Group Company					
BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.00%	Open Term	1.00%	Open Term	6.00%
1-month	1.50%	1-month	1.75%	1-month	6.50%
2-month	2.50%	2-month	3.00%	2-month	7.50%
3-month	4.50%	3-month	3.50%	3-month	8.00%
4-month	4.75%	4-month	4.00%	4-month	8.75%
5-month	5.25%	5-month	4.50%	5-month	9.75%
6-month	5.50%	6-month	5.00%	6-month	10.50%
7-month	5.75%	7-month	5.50%	7-month	10.75%
8-month	6.00%	8-month	6.00%	8-month	11.00%
9-month	5.75%	9-month	5.75%	9-month	11.25%
10-month	5.50%	10-month	5.50%	10-month	11.50%
11-month	5.25%	11-month	5.25%	11-month	11.75%
12-month	5.00%	12-month	5.00%	12-month	12.00%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of October 31st 2022. Genesis borrows unsecured. Rates are subject to change.

SS

Steve Sokolowski

15:25

thx

9 November 2022

SS

Steve Sokolowski

16:38

just to confirm, your trading desk watches this chat after business hours?

or is there somewhere else I should contact?

16:38

H

Hanson – Genesis

16:38

We are here Steve

SS

Steve Sokolowski

16:38

ok, great, thx

H

Hanson – Genesis

16:38

@Weekuo @MarcGenesis cover the APAC session

SS

Steve Sokolowski

16:39

tonight looks like a night where fortunes may be made

H

Hanson – Genesis

16:39

Might need a prefund of assets depending on the size of the trade

SS

Steve Sokolowski

16:39

it would just be dollars to bitcoins

- GG** **Greg Guttas Genesis** 16:39
In reply to [this message](#)
sir what are business hours in crypto
- SS** **Steve Sokolowski** 16:39
you already have open term loans
- would there be a problem with that, if prices decline further asking you to trade those dollars for bitcoins? 16:40
- H** **Hanson – Genesis** 16:40
Thats fine
- Have you been able to get any assets off of BlockFi? 16:41
- SS** **Steve Sokolowski** 16:41
they seem to be operating normally
- H** **Hanson – Genesis** 16:41
That is good
- SS** **Steve Sokolowski** 16:41
we took a tax withdrawal no problem yesterday
- 10 November 2022
- SS** **Steve Sokolowski** 22:04
what is your minimum trade size?
- we need to do a lot of buying and selling quickly to rebalance our assets 22:04
- because of the money we lost at BlockFi 22:04
- WK** **Wee Kuo** 22:05
Hi, 250k notional per clip
- SS** **Steve Sokolowski** 22:05
ok, will get back to you soon
- WK** **Wee Kuo** 22:05
sure, we'll be here
- SS** **Steve Sokolowski** 23:00
ok, thanks – we won't need to make any purchases because we are not insolvent

however, we will be closing most of our open term loans tomorrow 23:00

I'll send the withdrawal requests by E-mail 23:00

I know that you're not at fault for BlockFi, but our level of risk needs to be much lower now 23:00

have a good night 23:01

H **Hanson – Genesis** 23:02

Thanks Steve, talk to you in the morning

Let us know how we can help 23:02

11 November 2022

SS **Steve Sokolowski** 07:22

good morning, Hanson, or whoever is up

GG **Greg Guttas Genesis** 07:22

gm

how can we help? 07:22

SS **Steve Sokolowski** 07:22

can you confirm that you have no exposure to BlockFi?

H **Hanson – Genesis** 07:22

No exposure to BlockFi steve

SS **Steve Sokolowski** 07:22

well, that's one good thing at least

before I make the withdrawal requests, are the open term rates for all of those coins the best you can possibly offer? 07:23

if it would be easier for Hanson to call, I'm here 07:24

H **Hanson – Genesis** 07:24

In reply to [this message](#)

What assets are you looking to withdraw

SS **Steve Sokolowski** 07:25

we would withdraw everything we can

it's not your fault 07:25

it's just that we have no margin for error anymore 07:25

- H** Hanson – Genesis 07:25
Please confirm the assets and units you are looking to withdraw and we can go from there
- SS** Steve Sokolowski 07:25
ok, will get that together now, I need to add addresses
- does Genesis or Digital Currency Group have a division that makes investments? 07:26
- like someone who might be interested in investing in or acquiring our mining pool 07:26
- H** Hanson – Genesis 07:26
Not at this time but will keep it in mind, our sister company Foundry runs the worlds largest BTC mining pool
- SS** Steve Sokolowski 07:27
ah, ok, maybe I'll send them an E-Mail to see if they were looking to expand into other coins, because we get all our money from mining litecoins/dogecoins, and GPU coins
- H** Hanson – Genesis 07:29
at the momen they are only focused on BTC but not sure their long term direction
- SS** Steve Sokolowski 07:29
ok, understandable
- the pool is profitable – it just has a low reserve for PPS mining 07:29
- H** Hanson – Genesis 08:35
Hi team good morning —
- I wanted to reach out and highlight an email we've sent through to our client base providing an update on our current balance sheet as we position Genesis for its next phase of growth.
- While the operation of our lending and trading businesses have not been impacted by recent market events, Genesis has taken steps to strengthen its balance sheet with an additional equity infusion of \$140M from our parent company, Digital Currency Group.**
- This additional capital will bolster our position as a global leader in crypto capital markets and allow us to support our clients and the growing demand for our services.
- Genesis continues to operate with transparency as we always have, and we remain steadfastly committed to our clients throughout all market conditions.
- Please let us know if you have any questions today, thank you.
- SS** Steve Sokolowski 08:43
thx Hanson

- BN** DOGE balance is out, TXID: 10:58
[REDACTED]
[REDACTED]68b7
- SS** **Steve Sokolowski** 10:58
thanks a lot!
- Deleted Account** 15:55
see the email for LTC and ETC addy will get a test out now
- SS** **Steve Sokolowski** 15:55
thanks!
- Deleted Account** 16:13
tests are out tx ids below:
ltc-
[REDACTED]
[REDACTED]c5db
etc-
[REDACTED]
[REDACTED]1c81
- SS** **Steve Sokolowski** 16:19
received , and I'm here for a confirmation call
wait hold on 16:19
just want to check that this Ledger synchronization error is their error 16:19
- CM** **Conor M - Genesis** 16:20
Sounds good
will hold for now 16:20
- SS** **Steve Sokolowski** 16:25
ok, ready
Ledger is so overloaded that their block explorer servers are offline 16:25
- Deleted Account** 16:25
thanks will call now
thanks for the chat will get the rest out now 16:27
- SS** **Steve Sokolowski** 16:27
thank you!

 Deleted Account 16:33
coins are out tx ids below:
ltc-
[REDACTED]
[REDACTED]b016
etc-
[REDACTED]
[REDACTED]0870

13 November 2022

 Steve Sokolowski 09:38
sent out an E-Mail about a small withdrawal whenever you process it tomorrow
also, if Griffin is here, could he send me a message directly? I'm trying to locate a conversation we had on September 30 about Zac Prince - thanks! 09:40

 Deleted Account 09:40
hey @SteveSokolowski

 Steve Sokolowski 09:41
basically I just want to find the Telegram chat where I told Griffin that Prince personally convinced me to not sign a large BTC loan to Genesis
so any help he can provide would be appreciated! 09:41

 Deleted Account 09:43
Seeing the following:
0.97220093 BTC
10.94688532 ETH

 Steve Sokolowski 09:43
that sounds right

 Deleted Account 09:45
In reply to [this message](#)
could you upload these addresses to prime? we can get this out today

 Steve Sokolowski 09:45
they should already be there
I did that before sending it 09:45

 Deleted Account 09:46
see them both uploaded now ty

it was a bank holiday on Friday, so I assumed you were probably held up by that 08:47

16 November 2022

SS **Steve Sokolowski** 11:19
hey guys, I'm just trying to get an update because we need to decide whether to make layoffs ASAP

are you able to say whether there is any realistic chance of avoiding bankruptcy? 11:19

H **Hanson – Genesis** 11:19
Hey Steve, we have currently suspended all withdrawals

SS **Steve Sokolowski** 11:19
hey hanson

H **Hanson – Genesis** 11:19
We had sent out an email last night inviting clients to join a call with our CEO this morning. The subsequent tweet outlined the current situation to recap what was said but at this time our management team has taken the decision to pause withdrawals in light of current market conditions

<https://twitter.com/GenesisTrading/status/1592867198900768769?s=20&t=SU3bXSFcOTFHmkW90iLFEQ> 11:20

SS **Steve Sokolowski** 11:20
I saw that – thanks

my problem is that with BlockFi and Celsius having also failed, we have no money 11:20

so we need to know immediately whether I can make payroll 11:20

so I'm just hoping you can say whether Genesis is likely to go bankrupt because I don't want to do layoffs and then find out that Genesis is solvent after all 11:21

H **Hanson – Genesis** 11:21
In reply to [this message](#)

We have been actively monitoring the ongoing situation and this week as market conditions continued to deteriorate post FTX/Alameda fraudulent activity the liquidity within the global crypto credit markets was impacted. We are taking as many steps as we possibly can trying to come to a solution and have been told by our management team to be able to provide an updated path forward to clients by next week

We are currently working with a few external parties on path forward 11:21

SS **Steve Sokolowski** 11:23
hmmm, we don't have until next week to make this decision

H **Hanson – Genesis** 11:23
I hope you can trust us when we say we truly sympathize with the current situation, this has been an incredibly difficult time in the overall market and we are doing our best to serve our clients with the information we have on hand as we navigate through it all

I can confirm that we are not proceeding with any withdrawal requests at this time 11:23

if that can help you come to a decision that you may or may not have to take 11:23

SS **Steve Sokolowski** 11:24
ok, so then maybe you can help with this

you'll be in default of your loan on Friday 11:24

that means you will have to pay 1% per day after that , if Genesis doesn't declare bankruptcy, right? 11:24

H **Hanson – Genesis** 11:26
I have asked our legal team to provide additional clarity on that point

SS **Steve Sokolowski** 11:26
thanks!

SS **Steve Sokolowski** 12:41
would Genesis be interested in negotiating a termination of the fixed-term loans with us, where we would sign a contract that you owe us nothing beyond the principal, and the future interest can then be removed from your books as a debt?

H **Hanson – Genesis** 12:42
At this time we are not breaking any fixed term loans inlight of our current stance of pausing withdrawals

SS **Steve Sokolowski** 12:42
ok

22 November 2022

SS **Steve Sokolowski** 18:20
please note I sent a notice of default to your operations inbox

I'll be sending one by certified mail as well – thanks 18:20

H **Hanson – Genesis** 18:20
Hi Steve, can you please address this to legal@genesistrading.com

Steve Sokolowski

SS no problem 18:21

1 December 2022

SS **Steve Sokolowski** 08:14
good morning, I sent a message to request a withdrawal of today's interest

also, soon I'll be asking for all communication to go through my attorney – to whom should I send that notice? 08:15

with the name and address where she can be contacted? 08:15

H **Hanson – Genesis** 08:15
In reply to [this message](#)
You can use this email

SS **Steve Sokolowski** 08:16
the operations@genesiscap.co?

H **Hanson – Genesis** 08:16
No
legal@genesistrading.com 08:16

SS **Steve Sokolowski** 08:16
great, thanks

H **Hanson – Genesis** 08:16
Thanks Steve

SS **Steve Sokolowski** 08:26
also, before legal action commences I just want to remind here that I am the only person authorized to speak for or make decisions for the company right now, so anything said by anyone else does not represent my position and does not constitute a request for action
thanks, and have a great day! 08:26

5 December 2022

SS **Steve Sokolowski** 16:06
could you tell me the address where I should serve Genesis papers?
the physical address 16:07

Hanson – Genesis

 H Hey Steve, will message you on the side 16:08

 **Steve Sokolowski** 16:08
thanks

7 December 2022

 **Steve Sokolowski** 09:59
here's the address of my attorney:

Lourdes Sánchez Ridge , Esquire 09:59
Pietragallo Gordon Alfano Bosick & Raspanti, LLP
301 Grant Street, Suite 3800
Pittsburgh , PA 15219
Office: (412) 263-1841

please communicate directly with her from now on 09:59

I'll forward this to the legal@genesistrading.com address as well 09:59

 **Hanson – Genesis** 09:59
Sounds good Steve, yes please email legal@genesistrading.com so that our team is aware

 **Steve Sokolowski** 10:00
LSR1@Pietragallo.com is her address; I won't be responding here at this point

thanks hanson 10:00

Exhibit G

Operating Agreement for Cryptocurrency Management LLC

1. Effective Date

This operating agreement governs the operations of Cryptocurrency Management LLC and is effective as of May 7, 2021.

2. Formation

This limited liability company (LLC) was formed by filing articles of organization, a certificate of formation, or a similar organizational document with the LLC filing office of the state of Pennsylvania on April 14, 2021.

3. Name

The formal name of this LLC is as stated above. However, this LLC may do business under a different name by complying with the state's fictitious or assumed business name statutes and procedures.

4. Registered Office and Agent

The registered office of this LLC and the registered agent at this address are 3178 Carnegie Drive, State College, PA, 16803-1154, and Stephen Sokolowski. The registered office and agent may be changed from time to time as the members may see fit, by filing a change of registered agent or office form with the state LLC filing office. It will not be necessary to amend this provision of the operating agreement if and when such a change is made.

5. Ownership

Stephen Sokolowski has 100% ownership of Cryptocurrency management LLC.

6. Business Purpose

The purpose of Cryptocurrency Management LLC is to securely store cryptocurrencies and to lend those cryptocurrencies to earn interest.

The sole borrower at the time of formation will be Genesis Trading (<https://genesistrading.com>.) All loans will be open-term.

It is not necessary to notify participants who have loaned funds to Cryptocurrency Management when new loans or terms are entered into with Genesis Trading.

7. Initial Assets

Cryptocurrency Management will initially borrow about 145 bitcoins, 2300 ethereum classic, 1300 ethereum, and 5500 litecoins from Stephen Sokolowski, Christopher Sokolowski, Prohashing LLC, and James P. Webster, to loan to Genesis Trading. These initial amounts may change before the initial loan is actually made.

8. Lenders

Additional lenders may be accepted at the sole discretion of Cryptocurrency Management's owner. Cryptocurrency Management is not a public fund and the company will not advertise its services to the public, nor will it provide investment advice to its lenders.

Lenders are required to sign a contract agreeing to the principles in this Operating Agreement.

Cryptocurrency Management's owner has the right to end a lender's participation in Cryptocurrency Management and to return lent money immediately, with a final interest payment the following month.

9. Additional Borrowers

In the case that Genesis Trading does not offer to borrow a currency that Cryptocurrency Management possesses, such as

dogecoins, Cryptocurrency Management may lend that type of coin to a different borrower.

If Genesis Trading ceases to do business with Cryptocurrency Management, a different borrower will be selected by the owner with as much agreement as possible among the Cryptocurrency Management lenders.

Notification will be provided to all Cryptocurrency Management lenders in either event.

If any Cryptocurrency Management lender disagrees with the selection of borrower for one or all coins, that lender may call his or her loans on those coins before money is lent to the new borrower.

10. Loans Only

Cryptocurrency Management will engage in loans only. It will not purchase stocks or equity.

11. Licenses

If the value of Cryptocurrency Management's cryptocurrency loans grows above \$25 million, additional licenses or SEC registrations may be required.

If such appreciation occurs, Cryptocurrency Management's owner will research the available options and notify lenders. The lenders will come to a unanimous agreement as to how to proceed.

If a unanimous agreement regarding SEC registration or other licenses cannot be reached, then Cryptocurrency Management's loans will be called, distributed to the lenders with interest, and the company will dissolve.

12. Redemption

Lenders may call loans at any time, and those calls will be passed on to the borrower. The owner will manage the redemption and return the money to the lender within one day of receiving money from the borrower.

Cryptocurrency Management is not responsible for delays caused by borrowers.

13. Fees

Network transaction fees and closing costs, if any, will be charged against the final interest payment for any lender who calls a loan.

Network transaction fees for interest payments, if any, will be deducted from the amount paid to each lender every month.

In exchange for his work in completing Cryptocurrency Management's taxes, the costs of tax software and the initial corporate registration fee of \$125 will be charged against the next interest payment of all other lenders besides Stephen Sokolowski, proportionally according to US Dollar value lent to Cryptocurrency Management at the time the charge is issued.

14. Interest Payments

Cryptocurrency Management will instruct Genesis and other borrowers to compound interest payments. If the borrowers do not allow compounding, the interest will be paid monthly when the interest is received from the borrower.

15. Minimum Loan Amounts

Genesis Trading and other borrowers require minimum loan amounts.

If enough other Cryptocurrency Management lenders call their loans such that the amount remaining falls below the borrower's minimum, and no other borrower and no additional lenders can be identified or agreed upon, the remaining money will be returned to Cryptocurrency Management lenders.

16. Nonliability of Lenders and Owners

No lender or owner of this LLC shall be personally liable for the expenses, debts, obligations, or liabilities of the LLC, or for claims made against it.

17. Deposits and Withdrawals

Deposits shall be made directly to addresses provided by Genesis Trading or another borrower, if possible. The deposit addresses will be provided by electronic communication and also by reading the address verbally.

If the borrower requires that all funds be sent in one transaction, then the owner will collect money in an external address and send it to the borrower, using the same two-step confirmation for the external address. In this case, transaction fees will be passed on proportionally to all lenders involved in the transaction.

Cryptocurrency Management and its owners are not responsible if a lender makes a mistake in sending coins to a different address after the two methods of communication have been used.

Withdrawals will be passed directly to the lender if possible but may also be passed through an intermediate whitelisted address if the lender allows only one address. The same two-step confirmation process for receipt of a withdrawal is required, and Cryptocurrency Management and its owner are not responsible if the lender makes a mistake in providing the correct withdrawal address.

18. Default

If Genesis Trading or another borrower defaults on a loan, losses will be proportionally allocated to Cryptocurrency Management lenders of the affected coin. Lenders of other coins and lenders to other borrowers, if any, will not be affected.

The owner of Cryptocurrency Management is not personally liable for borrower defaults.

19. Venue

The venue for disputes under this agreement is Centre County, Pennsylvania, in the United States of America.

20. Contracts

A ledger of incoming and outgoing loans will be posted to all Cryptocurrency Management lenders. The ledger will be updated immediately as loans are created and called.

While Cryptocurrency Management lenders may use a written contract for a loan, written contracts are not required. Written contracts are canonical. In the absence of a written contract, the ledger will instead be presumed to be accurate.

Cryptocurrency Management lenders are responsible for bringing errors to the attention of Stephen Sokolowski as soon as possible. If an error persists on the ledger for more than 30 days without notification, it will be presumed final.

21: Tax Classification

This LLC will be initially classified as a disregarded entity for federal and, if applicable, state income tax purposes. It is understood that, subject to federal and state law requirements, all members may agree to change the tax treatment of this LLC by signing, or authorizing the signature of, IRS Form 8832, Entity Classification Election, and filing it with the IRS and, if applicable, the state tax department within the prescribed time limits.

22: Tax Forms

If required by Federal law, IRS forms 1099-INT will be issued to all Cryptocurrency Management lenders yearly. The amounts listed on the forms will be the sum of the US Dollar value of the interest paid every month, at the time of the interest payment by the borrower.

23. Bank Accounts

If transactions are required in US Dollars, Cryptocurrency Management may obtain bank accounts in the legacy system. Funds in the company's name are the company's assets and are not to be comingled with the owner's funds.

24. Profits and Losses

Cryptocurrency Management LLC is not intended to earn profits for its owner. All interest gained from loans will be distributed to its lenders.

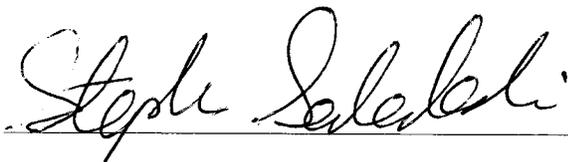
25. Succession

In the event of the death of Stephen Sokolowski, Christopher Sokolowski will gain 100% ownership of Cryptocurrency Management.

In the event of the death of Christopher and Stephen Sokolowski, James P. Webster will solely own and manage Cryptocurrency Management and distribute Christopher and Stephen Sokolowski's assets in accordance with his role as executor of their Wills.

26. Anonymity of James P. Webster

The participation of James P. Webster in Cryptocurrency Management LLC is not to be disclosed publicly, but lenders and borrowers associated with Cryptocurrency Management may be informed of his participation.

A handwritten signature in cursive script, appearing to read "Stephen Sokolowski". The signature is written in black ink and is positioned above a horizontal line.

Stephen Sokolowski

Agreement to Operating Agreement

I acknowledge that I am not an owner of Cryptocurrency Management LLC, but that I understand and agree with the terms described in the "Operating Agreement for Cryptocurrency Management LLC" document. If there is a dispute over document versions, the document that was sent to James Webster through a Telegram message at 12:46pm on May 7, 2021 will prevail.

Christopher Sokolowski

Christopher Sokolowski

Agreement to Operating Agreement

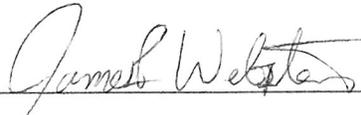
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Christopher Sokolowski

Christopher Sokolowski on behalf of Prohashing LLC

Agreement to Operating Agreement

I acknowledge that I am not an owner of Cryptocurrency Management LLC, but that I understand and agree with the terms described in the "Operating Agreement for Cryptocurrency Management LLC" document. If there is a dispute over document versions, the document that was sent to James Webster through a Telegram message at 12:46pm on May 7, 2021 will prevail.

A handwritten signature in cursive script that reads "James Webster". The signature is written in dark ink and is positioned above a horizontal line.

James P. Webster

Exhibit H

13 April 2021

- SS** **Steve Sokolowski** 11:05
Good morning – you said to add you on Telegram, this is Steve Sokolowski
- H** **Hanson – Genesis** 11:05
Hey Steve
great 11:05
Thank you for adding me here 11:05
Refresher on LTC, can offer 4% OT or 5.5% for 6 month fixed 11:05
Min size is \$500k notional so around 1850 LTC at current prices 11:06
can do between 1–6 month fixed as well, rates would be between those two levels above 11:06
- SS** **Steve Sokolowski** 11:07
is there a minimum withdrawal amount? I would want to withdrawal 50% of the interest to sell to dollars to pay taxes every time it's paid
- H** **Hanson – Genesis** 11:07
We can pay the interest ether inkind or in USD
can't split it 50/50 at this time 11:08
- SS** **Steve Sokolowski** 11:08
could I select that every month – one month USD, one month coins?
that would be fine 11:08
or if not, I can just sell it at Gemini 11:08
- H** **Hanson – Genesis** 11:09
We can send you the LTC and then you can sell the % you want into dollars each month, would need to keep consistent on our end operationally
- SS** **Steve Sokolowski** 11:09
ok, no problem
- H** **Hanson – Genesis** 11:09
In reply to [this message](#)
you can set the interest payment to be your Gemini address to make it easy in this instance
- Steve Sokolowski**

- SS** I only have 826 ETH available right now, so you won't accept that, right? 11:09
- H** **Hanson – Genesis** 11:10
Correct, mins there are 1,000 firm
- SS** **Steve Sokolowski** 11:11
ok – thanks for answering my questions – I'm going to talk with my brother when he wakes up from the night shift around 3pm, and will get back to you later
- H** **Hanson – Genesis** 11:11
Sure thing
- SS** **Steve Sokolowski** 11:11
oh, one final question – BlockFi is set up so that its investors will take a total loss before its lenders do
is Genesis the same way? 11:12
- H** **Hanson – Genesis** 11:12
In the meantime I will send over the MBA/Triparty document via DocuSign to begin the lending relationship, please be on the lookout for those later this morning/afternoon so we can proceed with issuing the term sheet
- SS** **Steve Sokolowski** 11:13
ok, thank you – if you could also find out whether Genesis's owners will take losses ahead of the lenders, that would be great
- H** **Hanson – Genesis** 11:13
We have no senior creditors
You are entering into a bilateral agreement with our NJ entity Genesis Global Capital LLC 11:14
any losses on the other side of our book is not passed through to you as the lender 11:14
We have both equity and loan loss reserves in the event that occurred 11:14
- SS** **Steve Sokolowski** 11:14
ok, that answers my question – thanks
- H** **Hanson – Genesis** 11:14
but since our inception in 2018 we have not had any
- SS** **Steve Sokolowski** 11:14
I wanted to make sure the executives' incentives were aligned

H Hanson – Genesis 11:14
No problem!

H Hanson – Genesis 12:14
MBA doc should with with you via DocuSign now, let me know if any additional questions

SS Steve Sokolowski 12:15
OK, thank you

SS Steve Sokolowski 13:11
Hi – just to clarify – an "open term" loan actually means that Genesis could require as long as 11 days to repay it, correct?

H Hanson – Genesis 13:12
T+7 is what I believe the contract specifies is our legal timeline for returning funds but in practicality it would be same day or t+1 at the latest

SS Steve Sokolowski 14:27
ok, I signed the document

I can get together about 1250 ETH for now personally – and then once the company "Cryptocurrency Management LLC" is processed by the Pennsylvania Department of Revenue, then that company will have about 140 bitcoins and more ETH

so let me know the process for lending ETH when you have all the legal issues sorted out 14:31

H Hanson – Genesis 14:32
In reply to [this message](#)

Great

For the 1250 ETH are you looking for an open term or fixed? 14:32

Genesis
A Digital Currency Group Company

BTC		ETH		USD and major stables	
Rate	Duration	Rate	Duration	Rate	Duration
1.75%	open term	3.50%	open term	10.00%	open term
1.75%	1-month	3.77%	1-month	11.00%	1-month
1.76%	2-month	3.79%	2-month	11.05%	2-month
1.77%	3-month	3.81%	3-month	11.10%	3-month
1.78%	4-month	3.83%	4-month	11.15%	4-month
1.79%	5-month	3.85%	5-month	11.20%	5-month
1.80%	6-month	3.87%	6-month	11.25%	6-month
1.80%	7-month	3.89%	7-month	11.30%	7-month
1.80%	8-month	3.91%	8-month	11.35%	8-month
1.80%	9-month	3.93%	9-month	11.40%	9-month
1.80%	10-month	3.95%	10-month	11.45%	10-month
1.80%	11-month	3.97%	11-month	11.50%	11-month
1.80%	12-month	3.99%	12-month	11.55%	12-month

Genesis minimums: BTC = 50 units | ETH = 1000 units | USD and major stables = \$500k
*Indicative rates for the week of April 12th, 2021. Genesis borrows unsecured. Rates are subject to change

SS Steve Sokolowski 14:34
a one-month term starts immediately, or is that expiring at the end of the next calendar month?

- H** **Hanson – Genesis** 14:34
Same regarding LTC
It starts on the day the term sheet is issued 14:34
let me confirm on that one actually, one second 14:35
- SS** **Steve Sokolowski** 14:35
ok, thanks
- H** **Hanson – Genesis** 14:38
They start accruing interest when the balance settles (term sheet date does not matter) and in practice, after expiry, we treat as open loans. so you will continue to accrue interest at the OT rate
The day of expiration will be listed on term sheet when issued 14:38
- SS** **Steve Sokolowski** 14:40
these are APY or APR?
- H** **Hanson – Genesis** 14:40
APY
-  **Sample Term Sheet John Doe ETH 08062020.pdf** 14:40
11.3 KB
Example for OT loan 14:41
- SS** **Steve Sokolowski** 14:51
ok, let's do open term
ETH is skyrocketing way too much to risk a fixed loan right now 14:51
- H** **Hanson – Genesis** 14:51
Sure
interest in ETH? 14:51
- SS** **Steve Sokolowski** 14:52
yes, as long as I can make a withdrawal of the interest only
you don't have minimum withdrawal amounts, right? 14:52
- H** **Hanson – Genesis** 14:52
We can send you the interest monthly no problem
Steve Sokolowski

- SS** great, then interest in ETH 14:52
- H** **Hanson – Genesis** 14:52
You will just whitelist an address for us to use
1250 ETH open term @ 3.50% with inkind interest paid out monthly 14:52
Would you like to do same for LTC? 14:52
- SS** **Steve Sokolowski** 14:52
do you need the exact amount of money?
- H** **Hanson – Genesis** 14:53
yes exact units pls
- SS** **Steve Sokolowski** 14:53
ok, then you'll need to give me a little while
- H** **Hanson – Genesis** 14:53
no worries
- SS** **Steve Sokolowski** 14:53
the other issue is that BlockFi may not process the withdrawal until tomorrow
- H** **Hanson – Genesis** 14:53
Thats fine
- SS** **Steve Sokolowski** 14:53
they do them manually, I think
ok, I'll do the calculations and get back to you by the end of the day 14:53
- H** **Hanson – Genesis** 14:53
Sure thing
In the meantime I am going to create a broader group with the rest of the folks on our side, 14:54
will add you in a moment. We can use it for all future communication (lending, trading, settlement
etc)
- SS** **Steve Sokolowski** 14:55
do you need all this ETH in one transaction?
- H** **Hanson – Genesis** 14:55
Operationally that is preferred

- Will wait for exact amount to get that term sheet out 14:58
- SS** **Steve Sokolowski** 15:01
 ok, I'll actually leave some in BlockFi because they are paying more on the first 100 ETH
 let's go with 1096 15:01
- H** **Hanson – Genesis** 15:01
 Sure thing
- SS** **Steve Sokolowski** 15:01
 you can write up the contract
- H** **Hanson – Genesis** 15:02
 Great thx
 Would you like to also paper the LTC as well? 15:03
- SS** **Steve Sokolowski** 15:03
 not right now – we each only have 1600
 we'll need to wait until Pennsylvania creates the LLC 15:03
 and the other issue with LTC is that BlockFi is beating your rates, unfortunately 15:04
- H** **Hanson – Genesis** 15:05
 Understood, no worries
 From a risk adjusted basis we think our rates are very market competitive, let me know if you change mind at all on that front. In mean time be on the lookout for that ETH term sheet and we can go from there! Thanks Steve 15:06
- SS** **Steve Sokolowski** 15:06
 I understand, and that's why we're leaning towards moving the LTC to you after PA processes the paperwork
- H** **Hanson – Genesis** 15:06
 👍 👍
- SS** **Steve Sokolowski** 15:07
 what sort of information do you need to start the process of opening a corporate account?
 can part of that be processed before the state officially creates the entity? 15:07
- H** **Hanson – Genesis** 15:08

The onboarding process is fairly similar, off the top of my head I can't think of a glaring difference between the two but will probably need to have the entity officially created to begin

- SS** **Steve Sokolowski** 15:09
ok, I'll let you know when that happens then
- H** **Hanson – Genesis** 15:09
Great
- SS** **Steve Sokolowski** 15:10
I can't believe so many people want to short litecoins
litecoins always outperform bitcoins from bottom to top 15:10
- H** **Hanson – Genesis** 15:10
Hahaha
Can't speak on behalf of our borrowers but thats what we are here for, help them express their market view 15:11
- SS** **Steve Sokolowski** 15:12
how can I prove your authenticity when it comes time to transfer the money?
can I call a number posted on Genesis's website? 15:12
or do you have a way implemented in software? 15:13
- H** **Hanson – Genesis** 15:20
Are you asking to confirm with our Ops team the wiring instructions?
- SS** **Steve Sokolowski** 15:20
no, when it comes time to send ETH, I want to make sure the address I get is genuine
I'm not criticizing you, but someone could try to impersonate you through Telegram 15:21
- H** **Hanson – Genesis** 15:21
Yes ofcourse
1. Address will be in the term sheet 15:21
2. We can confirm in the broader telegram chat as well als email 15:21
3. We usually do test transactions first then you send balance 15:21
4. The address will also be on the portal online 15:22
- SS** **Steve Sokolowski** 15:22
ok, that's what I needed, #4

 **Hanson – Genesis** 15:22
👍 👍

15 April 2021

 **Steve Sokolowski** 08:45
just want to let you know that I haven't forgotten about this – BlockFi doesn't process withdrawals for 2 days if submitted after 8pm, and the ETH fork is causing problems with my daemon

I hope to get this money sent overnight 08:46

 **Hanson – Genesis** 08:47
No worries

We understand about the BF withdrawal times, interest will just start being accrued once the 08:48 funds land on our side no problem

 **Steve Sokolowski** 22:11
so the BlockFi money was sent successfully – but Gemini is now giving me a date of April 22

so some of the money is there and I guess I'll just have to wait for the rest 22:12

 **Hanson – Genesis** 22:12
Got it

no worries 22:12

Ops team will confirm the first batch once it hits 22:12

 **Steve Sokolowski** 22:12
I'll send it the minute Gemini processes it

 **Hanson – Genesis** 22:13
Great!

 **Steve Sokolowski** 22:13
it should be about 370 that already was sent

 **Hanson – Genesis** 22:13
Got it, when they come back online tomorrow morning can confirm when we receive it on our end

 **Steve Sokolowski** 22:13
ok, have a good night

Hanson – Genesis

 H Thanks, you as well 22:14

17 April 2021

 SS **Steve Sokolowski** 08:17
good morning – Genesis gave the loan back to Gemini, so I have the money to deposit from Gemini

before I do, could you have Genesis sign the loan term sheet? 08:17

I signed it but I don't think your company did 08:17

the one at <https://na2.docusign.net/Signing/?ti=55da525e3df7463686da2e39412aec35> 08:17

 H **Hanson – Genesis** 08:23
Hey Steve, I will follow up with our legal team on Monday when they are back online to chase on the term sheet

 SS **Steve Sokolowski** 08:26
does your team process deposits or withdrawals on Saturdays?

or, do you start paying interest on Mondays? 08:26

 H **Hanson – Genesis** 08:27
Once the full amount has been deposited the interest will start accruing
the 1096 ETH 08:27

 SS **Steve Sokolowski** 08:36
ok, sent

20 April 2021

 H **Hanson – Genesis** 09:06
Hey Steve, this blog post is great and very in-depth. When you are happy we are happy! Let me know if you need anything else

 SS **Steve Sokolowski** 09:07
please let me know if there are errors in it; Nexo's CEO pointed out some errors that I fixed
there were about 3000 views yesterday so I don't want to get anyone wrong 09:08

 H **Hanson – Genesis** 09:12
DCG does not own Gemini would be a good thing to point out
<https://dgc.co/portfolio/> 09:12

- In reply to [this message](#) 09:12
thats great
- SS** **Steve Sokolowski** 09:12
Genesis is listed there
did I misunderstand this page? 09:12
- H** **Hanson – Genesis** 09:13
Genesis (us) is a fully owned subsidiary of DCG correct, but Gemini the exchange is not
- SS** **Steve Sokolowski** 09:13
oh, oops, sorry
I confused the names 09:13
I'll correct that 09:13
- H** **Hanson – Genesis** 09:14
No worries!
- Genesis** 09:15
Genesis Trading LLC is the "lender of last resort" in the cryptocurrency industry. Genesis is by far the largest company involved in lending, with billions of dollars of loans originated every month. They sell clients on BTC, ETH, and USDC deposits, but borrow and lend many other types of coins.
Not only is Genesis the largest trading firm, they are the firm whose business model is closest to a bank of all the lenders that currently exist. While [Gemini](#) offers trading, most of their loans are secured with low loan-to-value ratios. Genesis only accepts clients with \$5m or more in assets. Their minimum deposit sizes are 50 bitcoins, 1000 ETH, and 500,000 USDC. Their current rates for those coins are 1.5% for bitcoins, 3.75% for ETH, and 10% for USDC, for a one-month term.
Many of the lenders are re-lending to Genesis in some capacity. Ledn and Gemini, for example, state that they exclusively lend to Genesis. (Note that we don't trust Gemini's statement on that matter, as described in the Gemini review.) Because these companies are re-lending to Genesis, a few facts can be inferred:
- I think this should be Genesis as well
This is one of the most indepth articles on the crypto interest products I (we) have ever seen, awesome job 09:16
- SS** **Steve Sokolowski** 09:17
what happened is that three months ago I realized that I could earn just as much by moving money around between these companies as I could by actually doing work – so research became a full-time job
- H** **Hanson – Genesis** 09:17
Great to hear
- SS** **Steve Sokolowski** 09:17
will correct the second error
- H** **Hanson – Genesis** 09:18

On a separate note, I think you will enjoy this article talking about how these types of rates exist in the market <https://jumpcap.com/insights/crypto-credit-market-breakdown>

Super exciting to see the crypto credit markets being built over the years! 09:18

SS **Steve Sokolowski** 09:21
I can see how arbitrage can provide opportunities – for months our pool could not get approved because all the exchanges were taking months to approve institutional accounts, so we had to sell blocks of bitcoins at a loss at BitFlyer, which always had lower prices
once the companies are able to ramp up onboarding, that will go away 09:22

H **Hanson – Genesis** 09:26
In reply to [this message](#)
Thats not good! If you are ever looking for liquidity on your mining proceeds we can transact through our OTC trading desk as well

If I remember you were in the process of getting the entity through the legal hoops in setting up etc correct? 09:27

SS **Steve Sokolowski** 09:29
yes, we're still waiting for the state to process it
they generally take 3 weeks, which would be 15 more days 09:29

H **Hanson – Genesis** 09:29
Roger that

SS **Steve Sokolowski** 09:29
as to blocks, they are only worth 6.5, well below your minimum trade size

H **Hanson – Genesis** 09:29
6.5 BTC?

SS **Steve Sokolowski** 09:30
6.25 + fees

H **Hanson – Genesis** 09:30
Current trade size is \$250k/order so that would be north of that at current prices

SS **Steve Sokolowski** 09:30
I was actually told that blocks are worth more because they have no transaction history that could theoretically be involved with drugs
is that true? 09:30

there are rumors that people will pay more for blocks with no history but I don't know if that's true 09:30

H **Hanson – Genesis** 09:31
Certain investors in the market (typically overseas) are paying more for the "virgin" coins

SS **Steve Sokolowski** 09:31
would you pay more for them?

H **Hanson – Genesis** 09:31
We would not no

Our desk is trading on a principal basis out of our own balance sheet 09:31

So typically spot + small spread 09:31

27 April 2021

SS **Steve Sokolowski** 06:51
good morning – when you have time, it seems like BlockFi is lowering its rates

would you be willing to add 170 ETH to the loan on April 1? 06:52

and what about a second loan for around 4000 litecoins on April 1? 06:52

don't write up any contracts yet; I want to get rates and terms first 06:53

H **Hanson – Genesis** 06:53
Hey Steve good morning

In reply to [this message](#) 06:54
no worries!

In reply to [this message](#) 06:54
sure thing, we can add the ETH to a new Open Term tranche for ETH whenever you would like

In reply to [this message](#) 06:54
Let me get you rates here

would the LTC be for open term or duration? 06:55

SS **Steve Sokolowski** 06:56
I'd like to see both

one month or open 06:56

nothing longer 06:56

Hanson – Genesis

H For LTC I can show 4% for OT or 5.5% if you go out around 6 months 06:58

SS Steve Sokolowski 06:58
that's a lot lower than the 5.5% from before

in that case, we'll pass on the litecoins – I didn't realize it had gone down so much 06:58

H Hanson – Genesis 06:58
In reply to [this message](#)
rates have not changed

SS Steve Sokolowski 06:59
hmmm, I thought it was 5.5

my mistake then – but it's still far below blockfi's rates 06:59

H Hanson – Genesis 06:59
No worries!

SS Steve Sokolowski 06:59
however, the ETH is attractive

are your bitcoin rates still below 2%? 06:59

H Hanson – Genesis 06:59

BTC			ETH			USD and major stables		
Rate	Duration		Rate	Duration		Rate	Duration	
1.75%	open term		3.50%	open term		9.00%	open term	
2.00%	1-month		3.77%	1-month		9.75%	1-month	
2.01%	2-month		3.78%	2-month		9.80%	2-month	
2.02%	3-month		3.81%	3-month		9.85%	3-month	
2.03%	4-month		3.83%	4-month		9.90%	4-month	
2.04%	5-month		3.85%	5-month		9.95%	5-month	
2.05%	6-month		3.87%	6-month		10.00%	6-month	
2.06%	7-month		3.89%	7-month		10.05%	7-month	
2.07%	8-month		3.91%	8-month		10.10%	8-month	
2.08%	9-month		3.93%	9-month		10.15%	9-month	
2.09%	10-month		3.95%	10-month		10.20%	10-month	
2.10%	11-month		3.97%	11-month		10.25%	11-month	
2.11%	12-month		3.99%	12-month		10.30%	12-month	

Genesis minimums: BTC = 50 units | ETH = 1000 units | USD and major stables = \$500k
*Indicative rates for the week of April 26th, 2021. Genesis borrows unsecured. Rates are subject to change.

Above 2% with duration 06:59

SS Steve Sokolowski 07:00
ah, good – below 1.5% I think is the limit I would take for anyone, regardless of reputation, so I'm glad to see the rates normalizing

ok, then please add a new loan for 170 ETH beginning April 1 07:01

open term 07:01

the other coins I'll wait to move forward on, if at all, until the LLC is finished 07:01

 **Hanson – Genesis** 07:01
In reply to [this message](#)
copy that

 **Steve Sokolowski** 07:01
I will be outside today planting a new raspberry garden, so I won't respond until tomorrow
but since it's April 1, there's some time left 07:02
oops 07:02
I meant May 1 07:02

 **Hanson – Genesis** 07:02
In reply to [this message](#)
when May 1st comes around you can put in the bigger group you would like to add 170 ETH open
term to the existing ~1070 and our lending desk will send a new term sheet with updated amount
right May hahaha 07:02

 **Steve Sokolowski** 07:03
ok, I'll put in a withdrawal request today then so I don't end up delayed like last time
thanks for your help! 07:03

 **Hanson – Genesis** 07:04
In reply to [this message](#)
great sounds good
Happy to help! Thank you for choosing Genesis 07:04
let me know if anything else comes up 07:04

 **Steve Sokolowski** 07:04
no problem – have a great day!

29 April 2021

 **Hanson – Genesis** 08:34
Morning Steve
Wanted to pass along our recent Q1 market report that we released yesterday morning, 08:34
highlighting our trading/lending/derivatives businesses
you can find our full historical records on the website here 08:34
<https://genesistrading.com/about/insights/>

 **Genesis Q1 2021.pdf** 08:34

 5.2 MB

- SS** Steve Sokolowski 08:51
thank you - I'll take a look
- H** Hanson - Genesis 08:51
👍 👍
Also if you don't mind me asking, more personal question regarding your mining business 08:51
as someone who just got into BTC mining this week 08:51
- SS** Steve Sokolowski 08:51
sure
- H** Hanson - Genesis 08:52
Are you helping people acquire ASICS through financing? just more general on the business model of prohashing
- SS** Steve Sokolowski 08:52
no - we are just a pool
we don't lend out money 08:52
- H** Hanson - Genesis 08:52
ahh gothca
- SS** Steve Sokolowski 08:53
are you looking to start a mining farm?
- H** Hanson - Genesis 08:53
Just more curious as to the nature of what you all are doing
I used Compass Mining to purchase a few ASICS recently 08:53
- SS** Steve Sokolowski 08:54
yes, because we work on the pool side I'm not always up to date on what each manufacturer is offering
we often only find out about that when a manufacturer puts out something with an incompatibility 08:54
- H** Hanson - Genesis 08:54
Right that makes sense
whats the pools current hash rate? 08:54

- SS** **Steve Sokolowski** 08:55
visit prohashing.com, click "Status"
- there are a lot of algorithms so I can't give one answer here 08:56
- H** **Hanson – Genesis** 08:57
thats awesome
- how long have you been running that? 08:57
- SS** **Steve Sokolowski** 08:58
since 2013
- H** **Hanson – Genesis** 08:58
wow!
- SS** **Steve Sokolowski** 08:58
I read this document and it's interesting how Genesis wrote that BTC rates are hitting bottom
- I'm not sure whether I can get the LLC idea to invest BTC anymore 08:58
- because your rates are below 2% and we're thinking that isn't worth the risk 08:59
- it's not that your rates are uncompetitive – just that the rates are so low they aren't worth it 08:59
- H** **Hanson – Genesis** 08:59
Understood, no worries
- SS** **Steve Sokolowski** 08:59
but I did see you went up from 1.5% to 1.75%
- so I'm watching and hoping you get back above 2 08:59
- H** **Hanson – Genesis** 08:59
the days of 6% on BTC are probably long gone unless we enter a substantial bear market
- SS** **Steve Sokolowski** 09:00
I think that when the bear market comes they will hit 6% again
- H** **Hanson – Genesis** 09:00
In reply to [this message](#)
- we can improve above 2% if you go out longer with the fixed duration
- SS** **Steve Sokolowski** 09:00
oh, I didn't see that

the last chart from last month didn't have much difference between open and one month 09:00

H **Hanson – Genesis** 09:01
rates tend to change slightly week to week, I'll make sure to send them along to you when they change to highlight any bumps etc

SS **Steve Sokolowski** 09:02
ok

if we gave you some bitcoins could you change them to ETH and pay interest on that? 09:04

H **Hanson – Genesis** 09:05
We can help you execute a BTC/ETH trade through the OTC desk

SS **Steve Sokolowski** 09:05
BTC has been going nowhere and all the innovation is on ETH – and the rate mismatch is odd

H **Hanson – Genesis** 09:05
and then begin lending the ETH, minimum units is 1,000 for that

SS **Steve Sokolowski** 09:05
ok, I'll talk to them about it

H **Hanson – Genesis** 09:05
Sure thing

30 April 2021

SS **Steve Sokolowski** 10:07
does your company own the firm referenced in this article, or is it just the same name?

<https://news.bitcoin.com/canaan-to-sell-93-million-in-next-generation-bitcoin-miners-to-genesis-digital-assets/> 10:07

H **Hanson – Genesis** 10:07
We do not

Same name 10:08

SS **Steve Sokolowski** 10:08
ok, thanks

H **Hanson – Genesis** 10:08
confusing lol

Our sister company is Foundry though on mining side 10:08

SS Steve Sokolowski 10:09
I was going to ask to speak to whoever made that purchase if it was this Genesis

H Hanson – Genesis 10:09
Ah gotcha

1 May 2021

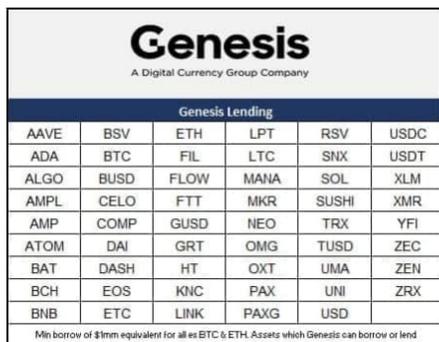
SS Steve Sokolowski 10:33
would you take BCH, and what are your rates for an open term? you don't have to answer until Monday

2 May 2021

H Hanson – Genesis 08:20
Hey Steve

SS Steve Sokolowski 08:20
good morning!

H Hanson – Genesis 08:20



Genesis					
A Digital Currency Group Company					
Genesis Lending					
AAVE	BSV	ETH	LPT	RSV	USDC
ADA	BTC	FIL	LTC	SNX	USDT
ALGO	BUSD	FLOW	MANA	SOL	XLM
AMPL	CELO	FTT	MKR	SUSHI	XMR
AMP	COMP	GUSD	NEO	TRX	YFI
ATOM	DAI	GRT	OMG	TUSD	ZEC
BAT	DASH	HT	OXT	UMA	ZEN
BCH	EOS	KNC	PAX	UNI	ZRX
BNB	ETC	LINK	PAXG	USD	

Min borrow of \$1mm equivalent for all ex-BTC & ETH. Assets which Genesis can borrow or lend

We accept BCH for lending yes, here is table of assets on that front 08:20

Minimum size is \$1 mm for all alts besides BTC/ETH 08:21

SS Steve Sokolowski 08:21
oh, never mind – I thought you had said the limit was \$500,000
no need to go further then, I don't want to own that much BCH 08:21

H Hanson – Genesis 08:21
👍👍 understood

4 May 2021

- SS** **Steve Sokolowski** 08:27
how long would it be until the money is in dollars if I told you to call the ETH loan and sell all of it to dollars?
I don't want you to do that now, I just want to find out 08:27
- H** **Hanson – Genesis** 08:28
We would be able to execute the trade as soon as you request it
with dollars being sent to you same day (or if in evening next morning) 08:28
- SS** **Steve Sokolowski** 08:28
and there wouldn't be a delay in calling the loan?
- H** **Hanson – Genesis** 08:28
No our lending and trading desk can handle that all in back end
good synergies between the two 08:28
- SS** **Steve Sokolowski** 08:29
if I were to ask, could you do something like "if ETH hits \$4900, call the loan and sell it?"
- H** **Hanson – Genesis** 08:29
We do not support limit orders at this time given the need to have a trader watching prices specifically for all those types of trades across our hundreds of clients
- SS** **Steve Sokolowski** 08:30
ok
and is your desk available overnight? 08:30
- H** **Hanson – Genesis** 08:30
but if/when ETH nears 4,900 I will remember to reach out to you to see if you are looking to trade
- SS** **Steve Sokolowski** 08:30
or do you have limited hours?
- H** **Hanson – Genesis** 08:30
Spot OTC Trading Desk Hours
· Sunday 8am EST to Friday 6pm EST
· Saturday coverage from 8am EST to 6pm EST
almost 24/7 08:30

hiring more traders across offices globally to round it out 08:30

SS Steve Sokolowski 08:30
ok – great, thanks

H Hanson – Genesis 08:31
No problem

SS Steve Sokolowski 08:31
don't do anything now, I just wanted to know

H Hanson – Genesis 08:31
yup

I am not authorized to trade for you no worries 08:31

I am goin gto add a few of the traders to your chat just so we have ready 08:31

SS Steve Sokolowski 08:32
ok, I don't think that's anything I'll have to worry about soon but what's happening recently is shocking

ETH could be worth \$10,000 next week and it wouldn't be surprising 08:32

H Hanson – Genesis 12:15
Hey Steve

when you log into the online portal do you see the "trading" tab? 12:15

you can also submit trade requests through the portal 12:15

<https://genesistrading.com/trading-tutorial/> 12:15

not only through telegram 12:15

SS Steve Sokolowski 12:17
ok, thank you

6 May 2021

SS Steve Sokolowski 22:27
the LLC was successfully created, so I'm ready to create its account at Genesis

let me know whether I should go through a standard account opening or whether you can speed up the 10-day delay it took Genesis last time 22:28

7 May 2021

- SS** Steve Sokolowski 07:38
what I want is for this existing account to simply change to be owned by the LLC, so that way you don't have to close out and reopen loans
- H** Hanson – Genesis 07:52
Hey Steve, we will need you to onboard the entity the loans will be in the name of
- In reply to [this message](#) 07:53
You will have to reonboard with the entity, close the current loans (in your name) and then reopen them in the name of the new account/entity
- Let me know if/when you submit the application for the entity and I can flag to our onboarding team 07:53
- SS** Steve Sokolowski 08:21
ok, I will fill out the application after this meeting ends and let you know later this morning
- H** Hanson – Genesis 08:22
Sounds good!
- SS** Steve Sokolowski 14:38
ok, I submitted the application for editor@shoemakervillage.org
- once it's approved, hopefully you can get these assets moved over and then I will have about \$10 million more depending on rates 14:38
- many of the questions in that application were not applicable to me, so I left them blank – I hope that will not be a problem 14:38
- H** Hanson – Genesis 15:00
"Cryptocurrency Management LLC" correct?
- I've let our onboarding team to know prioritize that application given you are an existing client of ours 15:02
- SS** Steve Sokolowski 15:33
yes, that's the name
- thanks for your help 15:33
- H** Hanson – Genesis 15:34
Perfect
- ive been told its in stages for final approval, so should be by end of day possibly 15:35
- SS** Steve Sokolowski 15:38
wow, I can't believe it's that fast

it took about 10 days the last time 15:38

maybe because the entity has no assets and it's an empty shell right now 15:38

H **Hanson – Genesis** 18:15
Hey Steve our onboarding team going to reach out, they need small follow ups for the entity
Just talked to them 18:15

SS **Steve Sokolowski** 18:34
ok – I'll await their contact

10 May 2021

SS **Steve Sokolowski** 12:40
hey, our hot wallets have too much ETH in them now and that happens about every week

H **Hanson – Genesis** 12:40
Hey Steve

SS **Steve Sokolowski** 12:40
do you want these tranches of 5 blocks or so every week, or are you not interested in them?
it's usually around 20 in profit per week 12:40

H **Hanson – Genesis** 12:41
Are you asking to deposit 20 ETH/week?

SS **Steve Sokolowski** 12:41
it wouldn't be regular – just whenever the hot wallet has a dangerous amount we would send them to you
we don't plan to sell them anytime soon 12:41
if you don't want them we can use Celsius 12:42
but I prefer Genesis 12:42

11 May 2021

H **Hanson – Genesis** 10:41
Hey Steve apologies here, right now that would be well below the minimums. If you wanted to start out with 1,000 ETH open term and then add in the additional ETH whenever you received them we can do it that way

Steve Sokolowski

- SS** well, there already is the 1300 ETH in that account 10:42
- so adding more would be fine then? 10:42
- H** **Hanson – Genesis** 10:43
- ah right right apologies
- yes we can add more to the balance but would prefer if it came in larger sizes than those given we need to repaper the termsheet/udpate the database each time 10:44
- SS** **Steve Sokolowski** 10:44
- ok – I will talk to my brother about that then and get back to you later – thanks!
- H** **Hanson – Genesis** 10:44
- sure thing
- I believe the onboarding team also went back to you regarding the entity with some follow ups? let me know if i need to push them there if you got back 10:45
- SS** **Steve Sokolowski** 10:46
- I didn't see anything from Genesis
- which communication method did they use? 10:46
- H** **Hanson – Genesis** 10:47
- let me revert
- in my minds eye I had it that they reached out for more information 10:47
- SS** **Steve Sokolowski** 10:47
- you said they would, but I checked E-Mail, Telegram, voice call, and text, but saw nothing
- H** **Hanson – Genesis** 10:48
- was sent to shoemaker email
- From: Genesis Onboarding | Genesis Trading
 Sent: Friday, May 7, 2021 6:25 PM
 To: 'editor@shoemaker.village.org' <editor@shoemaker.village.org>
 Cc: Genesis Trading | Onboarding <Onboarding@GenesisTrading.com>
 Subject: Genesis Application Follow-Up

Hello Steve,

Thank you for your interest in Genesis Global Trading.
 We are reviewing your application and have a follow-up request:

 - Your application is missing the W9 tax form. Kindly complete the attached W9 and return to us.
 - As this is a newly formed entity, there aren't any audited financials available therefore please provide a copy of your Banking/Brokerage Statement.

Once all documentation has been received we will continue to process your application.

Thanks in advance,
 Genesis Onboarding Team
- SS** **Steve Sokolowski** 10:49
- it was deleted as spam
- let me log into the server and configure that 10:49

- H** Hanson – Genesis 10:49
kk np
do they need to resend? 10:50
- SS** Steve Sokolowski 10:50
ah, I see, spamassassin has a filter that blocks out all mail to sign up at a new cryptocurrency service
there must be a lot of scams 10:50
no, I can retrieve it 10:50
I will disable the filter 10:51
- H** Hanson – Genesis 10:51
kk
- SS** Steve Sokolowski 10:53
I can send the W-9 form
but we don't have a bank account for that organization because we don't need one 10:53
we will never interface with the legacy system 10:53
I can try to get an account set up if that's necessary, but banks close accounts with zero balances or charge fees 10:54
- H** Hanson – Genesis 10:54
let me revert on banking statement
makes sense, we worked with crypto native clients in past 10:54
In reply to [this message](#) 10:54
im with you here! haha
- SS** Steve Sokolowski 10:55
honestly the only time I use regular banks anymore, even for myself individually, is to pay taxes
I use [Purse.io](#) to buy stuff with bitcoins natively 10:55
so I will send them the W-9 then if that's OK 10:55
- H** Hanson – Genesis 10:56
yes i am chatting our onboarding rep who was assigned
please send W9 and i will revert on the banking stuff 10:57
- Steve Sokolowski

SS actually I see it already submitted 10:57

in step 2 on additional, it says that the form is already there 10:57

oh wait 10:58

Hanson – Genesis 10:58

H hmm

SS **Steve Sokolowski** 10:58

it was the wrong file

Hanson – Genesis 10:58

H ok

no worries 10:58

SS **Steve Sokolowski** 10:58

here is the right one

can you forward it or do I need to do something to get it to them? 10:58

Hanson – Genesis 10:59

H can you pls email that back in response

has to come from you 10:59

i am going to delete that file here as it has your SSN and don't want it living on telegram servers 10:59

SS **Steve Sokolowski** 11:01

ok, I sent it to them

how about this – once they get that approved, then you can move the existing ETH loans to that account and add this ETH, so it makes it easy for you to have one entry 11:01

Hanson – Genesis 11:02

H We will have to close the loan in your name and repaper new documents/term sheets in the entity name

SS **Steve Sokolowski** 11:02

that's fine – and you can make that new loan larger

Hanson – Genesis 11:02

H yes we can make the new loan whatever size you want

i know you mentioned funding additional assets 11:02

- SS** Steve Sokolowski 11:03
yes - could you send me the image for your latest rates for today?
- H** Hanson - Genesis 11:03
 **image_2021-05-11_11-03-28.png**
182.9 KB
- SS** Steve Sokolowski 11:04
ok, with the BTC rates at 2%, then we will want somewhere near 145 bitcoins
I'll get you the exact number by the afternoon 11:04
- H** Hanson - Genesis 11:04
Sure thing
- SS** Steve Sokolowski 11:04
and what's the current open term LTC rate?
- H** Hanson - Genesis 11:04
for 5,500 units?
on LTC 11:04
- SS** Steve Sokolowski 11:04
about that, yes
- H** Hanson - Genesis 11:05
4%
- SS** Steve Sokolowski 11:06
ok, that one I'll need to think about then
- H** Hanson - Genesis 11:06
no worries
- SS** Steve Sokolowski 11:06
let me know when the account is approved and I'll get the exact numbers to you
- H** Hanson - Genesis 11:07
you got it

	Steve Sokolowski and also put me on a list to be notified when you start taking dogecoins if you have such a list	11:08 11:08
	Hanson – Genesis we are borrowers of DOGE 8% for open term, 11% for 6-months	11:08 11:09
	Steve Sokolowski oh you are? wow what's the minimum?	11:09 11:09 11:09
	Hanson – Genesis How much do you have to lend?	11:10
	Steve Sokolowski running query now 312366 probably too small for you	11:11 11:12 11:12
	Hanson – Genesis yea a bit under our mins, usually \$1mm notional for all alt coins but we would accept \$500k for this given demand	11:12
	Steve Sokolowski [Protected by NDA] talk to you later when the account is approved	11:13 11:13
	Hanson – Genesis sure sure	11:13
	Hanson – Genesis Hey Steve can you clarify the ownership of the LLC? as was under impression it was a new entity for you and your brother but you are listed as sole owner	13:18 13:19
	Steve Sokolowski we set it up that I am the sole owner, and we will make contracts for loans	13:19

- that way we don't have to change the ownership stakes in the company every time one person has more money to deposit 13:19
- I think I submitted an ownership agreement that describes how there are four people involved and we will keep loan documents that specify who is owed what 13:20
- Hanson – Genesis** 13:21
 Okay great ty let me communicate this with them
- Hanson – Genesis** 14:45
 Hi Steve
- "ok so if we can get ID's for Christopher Sokolowski and James Webster and also does he having anything for Prohashing that will evidence that he is sole owner?" 14:45
- our onboarding team request the above 14:45
- just need a few pieces of documentation for us to have on file for the entity being onboarded 14:45
- Steve Sokolowski** 14:45
 he's not the sole owner of Prohashing – I have some of that ownership
- we should be able to get you that information by tomorrow 14:46
- he's not available today unfortunately 14:46
- do you just want a driver's license picture? 14:46
- Hanson – Genesis** 14:48
 In reply to [this message](#)
- okay great any docs on ownership of that would be helpful as well
- yes drivers license works 14:48
- In reply to [this message](#) 14:48
- no worries
- Steve Sokolowski** 14:48
 ok, I'll collect all that information and send it to them
- Hanson – Genesis** 14:49
 Awesome appreciate it
- Steve Sokolowski** 16:42
 it looks like he finished at the bank sooner than I expected, so I was able to send that data over to them
- let me know if you need anything else 16:42



Hanson – Genesis

16:42

ok great

let me tell them to be on lookout

16:43

14 May 2021



Steve Sokolowski

08:05

good morning – it looks like the Cryptocurrency Management account has been approved



Hanson – Genesis

08:08

Hey Steve

Great

08:08



Steve Sokolowski

08:08

could you send me your latest image so I can see if it changed and then we can get the numbers to you



Hanson – Genesis

08:08

You are going to want to close the current loan in your individual account yes?



Steve Sokolowski

08:08

yes, roll over all three entries there and add additional ETH

and then a new BTC loan

08:08



Hanson – Genesis

08:08

BTC		ETH		USD and major stables	
Rate	Duration	Rate	Duration	Rate	Duration
2.00%	open term	2.75%	open term	9.75%	open term
2.25%	1-month	3.02%	1-month	10.00%	1-month
2.26%	2-month	3.04%	2-month	10.10%	2-month
2.27%	3-month	3.06%	3-month	10.20%	3-month
2.28%	4-month	3.08%	4-month	10.30%	4-month
2.29%	5-month	3.10%	5-month	10.40%	5-month
2.30%	6-month	3.12%	6-month	10.50%	6-month
2.31%	7-month	3.14%	7-month	10.60%	7-month
2.32%	8-month	3.16%	8-month	10.70%	8-month
2.33%	9-month	3.18%	9-month	10.80%	9-month
2.34%	10-month	3.20%	10-month	10.90%	10-month
2.35%	11-month	3.22%	11-month	11.00%	11-month
2.36%	12-month	3.24%	12-month	11.10%	12-month

Genesis minimums: BTC = 50 units | ETH = 1000 units | USD and major stables = \$500k
*indicative rates for the week of May 10th, 2021. Genesis borrows unsecured. Rates are subject to change



Steve Sokolowski

08:09

I need to do some math and I'll get back to you soon with the exact numbers

good, the rates are fine

08:09

I also need to get 96 bitcoins from Gemini, which means I need to wait for Gemini to call them from Genesis

08:10

- but we can get the paperwork started 08:10
- H** **Hanson – Genesis** 08:10
Sounds good I will have the paperwork sent in a moment
- H** **Hanson – Genesis** 08:35
Hey Steve do you think you would ever want to post the crypto as collateral to borrow USD
I'm going to have them send that paperwork as well just in case so we have on file if thats ok? 08:35
- SS** **Steve Sokolowski** 08:36
sure – but we would never want to borrow dollars
- H** **Hanson – Genesis** 08:36
okay then we can hold off for now
no worries 08:36
- SS** **Steve Sokolowski** 08:36
we would want to borrow bitcoins if ever
- H** **Hanson – Genesis** 08:36
ah ok
lets do it then just to have in place 08:36
- SS** **Steve Sokolowski** 08:36
because our miners are paid in bitcoins
we don't have dollar-denominated debts 08:36
the time we would consider a loan would be to offer PPS mining in bitcoins, so that we would have a reserve in case of bad luck 08:37
- H** **Hanson – Genesis** 08:37
docusign should be going to shoemaker email in a moment
- SS** **Steve Sokolowski** 08:37
ok, thanks
so you can send the document but I don't think we would want loans at the moment 08:37
- H** **Hanson – Genesis** 08:37
sure thing, we also can help you hedge any BTC exposure through derivatives if that is something of interest

In reply to [this message](#) 08:37
yes no worries

MBA/MLA just need to be in place, nothin happens until term sheets are issued 08:37

SS **Steve Sokolowski** 08:39
what we would need is some way to have at least three blocks of bitcoins in reserve, and if the price of bitcoins falls or rises, we don't want to go bankrupt

I don't know if that's even possible to do 08:39

ideally there would be some way to say we want to spend a million dollars and if we get unlucky we lose it and if we get lucky we gain more but we only lose or gain due to mining luck 08:40

but anyway, I know you are busy so I don't want to waste time on something that would be in the future 08:40

H **Hanson – Genesis** 08:41
no worries at all

we have worked with BTC miners in the past but not necessarily mining pools...let me think 08:41

DocuSign should be with you now 08:50

SS **Steve Sokolowski** 08:50
got it

SS **Steve Sokolowski** 09:07
ok, signed – once you sign, I will send it to the others to make sure they are OK

H **Hanson – Genesis** 09:10

Recipients		COMPLETE
1	Steve Sokolowski sokolowski@genesisenergy.com	Signed on 07/18/2012 11:00:00 AM Signed in Houston
2	Genesis Legal legal@genesisenergy.com	Signed on 07/18/2012 11:00:00 AM Signed in Houston

should be signed now 09:10

SS **Steve Sokolowski** 09:12
there are two areas I see unsigned – on page 20, where it says "head of risk"

or am I missing something? 09:12

H **Hanson – Genesis** 09:13
ah sorry missed that

should be signed by Kris in a few 09:13

Steve Sokolowski

- SS** ok 09:13
- H** **Hanson – Genesis** 09:23
should we create a new telegram group for the entity with your business partners
- SS** **Steve Sokolowski** 09:23
sure, you can do that
once you create it, I can invite them 09:24
or I can do it 09:28
there we go 09:29
- H** **Hanson – Genesis** 09:29
Great thanks invite rest of our team
- SS** **Steve Sokolowski** 09:30
are you sure you want them to be bothered with all the discussions we have about loan amounts and such?
if so I have no problem with that 09:30
I just don't want to include too many people who are annoyed with their phone vibrating all the time 09:30
actually, let's just delete this new group and I'll add them to the Steve Sokolowski -> Genesis group 09:31
ok, added 09:32
- H** **Hanson – Genesis** 09:33
In reply to [this message](#)
kk
- H** **Hanson – Genesis** 13:50
Hey Steve spoke with our derivs desk as well, they mentioned we work with other mining pools for hedging if you would like to speak over phone about it next week
Foundry USA is our sister company who we work closely with on this 13:50
- SS** **Steve Sokolowski** 13:52
ok, I will need to talk to my brother about how we would work that or even if it's worth getting into bitcoin mining
because I'm not confident about bitcoin's future and we are making a killing with the ETH tx fees 13:52

- 

Hanson – Genesis

no worries, just wanted to let you know its an option

13:52
- 

Steve Sokolowski

ok, thanks

13:54
- 

Steve Sokolowski

signed the term sheets

15:24

21 May 2021

- 

Hanson – Genesis

Hey Steve apologies here tryign to get a hold of our head of risk to sign off

15:10
- 

Steve Sokolowski

ok, that's fine

15:31
- 

Steve Sokolowski

I will get the money sent shortly

15:31
- 

Hanson – Genesis

Thanks Steve

15:33
- 

Hanson – Genesis

Dan can confirm in the chat when it lands

15:33
- 

Steve Sokolowski

please confirm receipt

15:45
- 

Steve Sokolowski

or I'll ask him

15:45

3 June 2021

- 

Steve Sokolowski

hey, I got an E-Mail a few days ago saying that an interest statement was available, but I logged in this morning and don't see it where the E-Mail said it would be

10:13
- 

Steve Sokolowski

am I misunderstanding what the message said?

10:13
- 

Hanson – Genesis

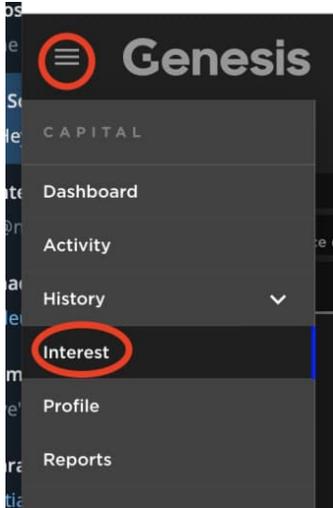
Hey Steve

10:17
- 

Hanson – Genesis

Hey Steve

10:17



10:17

if you click on the hamburger menu on the left when you are in the capital tab

10:17

and then click interest

10:17

you can create a report

10:17



Steve Sokolowski

10:17

ah, ok, thanks, I was stupidly clicking on payables



Hanson - Genesis

10:18

no worries



Steve Sokolowski

10:18

thinking that payables was meaning you pay us

I'm not sure if it's written down but you don't have to pay us – just always make new loans with the interest

10:18



Hanson - Genesis

10:18

yes default is to compound



Steve Sokolowski

10:18

great – that's all I need, have a good day

 **Hanson – Genesis** 10:18
awesome, you too!

14 June 2021

 **Steve Sokolowski** 09:51
good morning – I want to call our June 1 interest loan of 0.09155949 BTC to pay taxes
just that one loan 09:51
if you can change it into USDC, then even better – but I'm guessing you can't, in which case 109:52
will add a Bittrex address to the dashboard

 **Hanson – Genesis** 10:01
Hey Steve you can request a withdrawal of the BTC in the main chat
and add a BTC address for us to send to as well in the chat (we will ask you to also send via 10:01
email to confirm)
Going forward do you want to change the interest to be paid out? Or just this one time 10:02

 **Steve Sokolowski** 10:04
just this time
I just saw the increase in price and realized that I was behind in my USDC that's allocated 10:04
for tax payments
I'll inform everyone in the chat, thanks 10:04

 **Hanson – Genesis** 10:05
sure thing
In reply to [this message](#) 10:05
copy

29 June 2021

 **Hanson – Genesis** 11:48
Hey Steve just to clarify a bit more on the side here, its okay if you say a general range for our
rates but giving specifics out to the public is somethat that we do not want
ie. "2–3% for BTC/ETH" or 5–6% for cash 11:48
we tend to update our rates a lot more than retail focused platforms so we dont post them 11:49
publicly anywhere, also do not want that to be general knowledge given our position in the crypto
credit markets as the largest institutional desk

Steve Sokolowski

SS well, what I'd like to do, if you permit it, is to state that your rates are more competitive than what BlockFi is offering 11:51

I think that's a plus to you 11:51

and what Ledn is offering and what Gemini is offering too 11:51

so you can decide whether I should state that or not 11:51

H **Hanson – Genesis** 11:56

In reply to [this message](#)

Yup that is a plus sounds good

i know they are lowering rates again quite substantially 11:56

4 August 2021

H **Hanson – Genesis** 09:32

Hey Steve good morning! Wanted to ping you here to let you know that we released our Q2 report this morning. Provides some great detail across our various lines of businesses (trading/lending/derivatives). You can also find a full historical record on our website at <https://genesistrading.com/about/insights/>.

<https://f.hubspotusercontent00.net/hubfs/6024551/Genesis%20-%20Quarterly%20Reports/Genesis%20Q2%20Report.pdf>

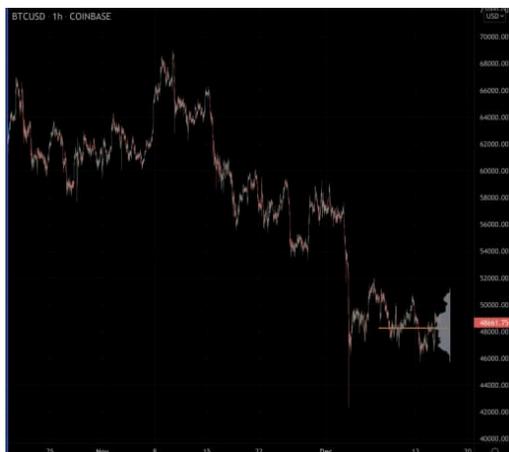
SS **Steve Sokolowski** 09:33

thanks! I'll take a look!

16 December 2021

H **Hanson – Genesis** 09:45

Our business is better than ever, rates aren't a reflection of that just for your knowledge haha



The market determines the rates 09:46

7 January 2022

SS **Steve Sokolowski** 11:16
I want to be ready – if a liquidation cascade starts today or tomorrow and we see prices around \$29,000, will Genesis be available to convert large amounts of USDC into BTC or ETH?
or, could you not call a loan on a Saturday 11:16
oops, wrong place – I'll put this in th emain chat 11:16

10 January 2022

H **Hanson – Genesis** 11:33
Hey Steve
can you send me a screenshot of your screen? 11:33

SS **Steve Sokolowski** 11:34
there's nothing wrong now
it looks like whatever was done fixed the issue 11:34
thanks for your help 11:34

H **Hanson – Genesis** 11:35
Okay great

15 June 2022

H **Hanson – Genesis** 11:30
Hey Steve what is your cell?

SS **Steve Sokolowski** 11:30
8146009800

H **Hanson – Genesis** 11:31
Okay ringing in a sec
got your voice mail 11:31

SS **Steve Sokolowski** 11:31
the phon edidn't ring
could you try a Telegram call? 11:32

-  **Hanson - Genesis** 11:32
kk
-  **Steve Sokolowski** 11:38
Incoming (360 seconds)
- 20 June 2022
-  **Steve Sokolowski** 07:59
good morning, Hanson!
- if you are not off today for the holiday, I guess I just wanted to say that I'm disappointed 07:59
- I don't know how Genesis lent money to the "large counterparty" when a publicly accessible website stated that they had money in all sorts of DeFi protocols that have unaudited smart contracts and especially since their public website lists Luna as one of their investments 08:00
- I understand that we were saved this time, but I'm not an expert in this stuff and I knew months ago to stay far away from any type of "stablecoin" except USDC 08:01
-  **Hanson - Genesis** 08:04
Hey Steve
- Are you talking about Three Arrows? 08:04
-  **Steve Sokolowski** 08:04
yes
- I know you can't confirm that 08:04
- I just am worried that Genesis didn't recognize the risk of Terra 08:04
-  **Hanson - Genesis** 08:04
They are (were I guess) one of the largest liquid hedge funds in crypto. We work with many such counterparts across our business lines (trading, lending, derivatives and custody).
- Our business had no exposure to Luna so I'm not sure how that is relevant here haha 08:05
- We did not lend them funds to deposit into Anchor 08:05
-  **Steve Sokolowski** 08:05
ok, so the agreement was separate
- as in if they lost money due to Anchor, it was their own problem 08:05
-  **Hanson - Genesis** 08:05
3AC was a seed investor into Luna

- In reply to [this message](#) 08:05
that is correct
-  **Steve Sokolowski** 08:05
ok, I see now
then that makes me feel better 08:05
I thought your money just went into one big pot with them 08:05
-  **Hanson – Genesis** 08:05
Absolutely not
We do not principally invest any client loans/funds into DeFi on a prop basis 08:06
our lending desk is just a middle/third party for lenders/borrowers in the market 08:06
with our borrowers posting liquid collateral such as BTC to borrow USD from us 08:06
so we can then liquidate said BTC or hedge our position if they are not meeting margin calls 08:07
etc.
-  **Steve Sokolowski** 08:07
ok, good, then these are secured loans
-  **Hanson – Genesis** 08:07
That is correct, we do have some unsecured loans on our balance sheet but these are with
extremely well capitalized counterparties who we have known for many years in the space that
run market neutral strategies
not taking directional exposure to the market 08:07
Did you happen to see our CEO post? 08:08
<https://twitter.com/michaelmoro/status/1537822423806009344?s=20&t=gaZIMRzoVahc0ZQDTErTKQ>
I think you will find it a good read 08:08
-  **Steve Sokolowski** 08:08
yep, I saw that already, thanks
-  **Hanson – Genesis** 08:08
Ah ok ok
-  **Steve Sokolowski** 08:08
so these counterparties that are taking unsecured loans are people who, if they failed, the entire
industry would be done with anyway

H **Hanson – Genesis** 08:08
In reply to [this message](#)
these would be large market makers who need access to capital to keep order books running
healthily/smoothly

SS **Steve Sokolowski** 08:09
like if Coinbase failed, for example

H **Hanson – Genesis** 08:09
Coinbase would be an exchange, in the above scenario we work with the firms who are providing
liquidity to the Coinbase order book

SS **Steve Sokolowski** 08:10
ah, ok, but they aren't re-lending the money, so the risk with them would largely be if they were
hacked

H **Hanson – Genesis** 08:10
They are just using it as capital/balance sheet so that they can provide liquidity on exchanges
correct, not taking a directional view

NYSE Arca Equity Lead Market Making Firms 08:10

- Credit Suisse Securities (USA) LLC
- Deutsche Bank Securities Inc
- Goldman Sachs and Company
- IMC Chicago, LLC
- Jane Street Capital, LLC
- KCG Americas LLC
- Latour Trading, LLC
- OTA, LLC
- Susquehanna Capital Group
- Timber Hill LLC
- Virtu Financial BD, LLC
- Wolverine Trading, LLC

these are examples of market makers for traditional equities
firms like those exist in crypto as well, high frequency trading firms helping the market run smoothly 08:11
but also on that note we have been reducing credit to all counterparties since the beginning of the year and then particularly post Luna collapse as our risk mgmt. framework tightened 08:11

SS **Steve Sokolowski** 08:12
does the Three Arrows loss mean that there is less margin for error?
since, I imagine, the company will make much less profit this year 08:12

H **Hanson – Genesis** 08:12
In reply to [this message](#)
Three Arrows?
I dont think they have any money left haha 08:12

- but also they were not a market maker 08:13
- SS** Steve Sokolowski 08:13
no, I'm talking about Genesis
- H** Hanson – Genesis 08:13
they were a long/short hedg efund
- SS** Steve Sokolowski 08:13
Genesis took some sort of loss as a result of that undoubtedly; so I assume you now have less margin for error given that profits were wiped out
- you might not know what that looks like 08:13
- H** Hanson – Genesis 08:14
At this time we are continuing to tighten up all credit/risk exposure to all of our counterparts
- Have been working throughout the weekend to recall loans and top up collat across the board 08:14
- But not our first time going through one of these cycles, as a firm been around since 2013 and the lending desk started in 2018 08:14
- so have been able to navigate previous cycles and will continue to do so! 08:14
- SS** Steve Sokolowski 08:15
ok, thanks for taking the time to talk to me; I didn't get a response on Friday even though I was told I would be sent the term sheet
- I will talk with James and other and get back to you 08:15
- H** Hanson – Genesis 08:15
No problem, sorry about that I'll follow up asap with Griffin to send that over
- I was OOO on Friday for a wedding (nice reminder the world keeps turning haha) so missed that 08:17
- SS** Steve Sokolowski 08:17
you probably missed the most important day in the industry's history
- H** Hanson – Genesis 08:17
I was working :) just a bit in and out
- SS** Steve Sokolowski 08:18
I apologize for my insistence earlier but I'm starting to get like my grandfather, who went bankrupt in a bank run in 1930, and he never used a bank after that

over the past five years we've lost \$410,000 to exchanges and lenders who lose or steal money 08:19

H **Hanson – Genesis** 08:19
No its okay I understand, there is a lot going on right now and when it comes to this sort of thing we want to make sure we are all on the same page

SS **Steve Sokolowski** 08:21
the one thing that makes me feel OK here is that if Genesis goes down, then Coinbase and Gemini and Ledn and pretty much everyone goes with it

H **Hanson – Genesis** 08:21
In reply to [this message](#)
this should be sent now

SS **Steve Sokolowski** 08:21
thanks

H **Hanson – Genesis** 08:21
In reply to [this message](#)
That would not be a fun day haha, we will all come out of this stronger

SS **Steve Sokolowski** 08:21
and the second sheet for 3 months 4% 202 bitcoins would be fine too

H **Hanson – Genesis** 08:21
Flush out the bad actors

SS **Steve Sokolowski** 08:26
actually, scratch that last question, I'll delete those messages
not interested in that so don't waste your time 08:26

H **Hanson – Genesis** 08:26
Kk no worries

SS **Steve Sokolowski** 08:48
just want to make sure that the remaining open-term ETH will be paid at the 2.50% rate, not the 1.65% rate, which I hope you agree is too low given that the risk has changed since that loan was created

H **Hanson – Genesis** 08:48
Hey Steve yes that will be reflected as well

SS Steve Sokolowski 08:49
great, thx

H Hanson – Genesis 08:49
np

SS Steve Sokolowski 09:04
[Protected by NDA]

the sheet can only be for 202 09:04

the sheet you sent me is for all of them 09:05

H Hanson – Genesis 09:06
Thats being resent

internal miscommunication sorry about that 09:06

SS Steve Sokolowski 09:06
np

SS Steve Sokolowski 09:47
I don't know if this is on purpose but I think your accounting is incorrect, there is too much money listed in the dashboard

loans 156355 and 156359 appear to be correct, but 156358 has extra money that I don't know where it came from 09:48

H Hanson – Genesis 10:24
Hey Steve, I touched base with our Ops team and they are telling me recent activity is related to the refinancing and consolidating of the loans

SS Steve Sokolowski 10:25
ok, I guess I'll just wait and see whether that clears up and contact you tomorrow if it doesn't

or, maybe I'm misunderstanding 10:25

H Hanson – Genesis 10:25
Okay sounds good, if need be we can sync with you, Dan and myself tomorrow

SS Steve Sokolowski 10:25
the total balances appear right so there must be something I don't understand about the table

but it looks like you understand how much total money is there so it must be my fault 10:25

will get back to you tomorrow 10:26

H **Hanson – Genesis** 10:26
Okay great sounds good
Let us know if any q's 10:26

23 June 2022

SS **Steve Sokolowski** 08:12
good morning Hanson, could you send me what rates you're offering for litecoins now?

H **Hanson – Genesis** 08:12
Hi Steve good morning
Sure one moment, how many total units? I'm just walking into the office now so can't check if you are currently lending us any 08:12

SS **Steve Sokolowski** 08:13
[Protected by NDA]

if the exact number is important for the rate I don't want to make a promise until I run that calculation 08:14

the rough estimate would be that 5000 could be locked up 08:14

but that could be way off in either direction 08:14

H **Hanson – Genesis** 08:57
Right now we would only be paying for OT

so no added benefit/rate increase for FT 08:57

not much demand for us in that name it lock it up 08:57

SS **Steve Sokolowski** 09:04
are there any other coins that you would pay more to lock up?

probably not, I guess 09:04

I'm not willing to lock up dollars because if ETH goes into a panic I want to put in a buy order at Genesis 09:04

18 July 2022

SS **Steve Sokolowski** 12:14
hey Hanson, are you aware of how Coinbase has been halting our payouts?

I don't know if Genesis knows this but I thought it would be worth passing on given all the rumors about their financial state 12:15

we had 2000 payouts require 3-day "security holds" all of a sudden this weekend and none of the support agents have any idea why

12:16

ah, I see you're out of the office so I'll paste this in the general chat

12:16

12 September 2022



Hanson - Genesis

11:00

Hi Steve what is a good number to call you



Steve Sokolowski

11:01

you can just make a Telegram call

I'll go get my phone now

11:01

ok, I'm here

11:01



Hanson - Genesis

11:01



Steve Sokolowski

Incoming (2 seconds)

Genesis A Digital Currency Group Company					
BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.50%	Open Term	1.50%	Open Term	4.00%
1-month	2.00%	1-month	2.00%	1-month	5.50%
2-month	3.00%	2-month	3.00%	2-month	7.00%
3-month	3.25%	3-month	3.25%	3-month	7.50%
4-month	3.50%	4-month	3.50%	4-month	7.75%
5-month	3.75%	5-month	3.75%	5-month	8.00%
6-month	4.00%	6-month	4.00%	6-month	8.25%
7-month	3.75%	7-month	3.75%	7-month	8.50%
8-month	3.75%	8-month	3.75%	8-month	8.75%
9-month	3.65%	9-month	3.65%	9-month	9.00%
10-month	3.60%	10-month	3.60%	10-month	9.00%
11-month	3.55%	11-month	3.55%	11-month	9.00%
12-month	3.50%	12-month	3.50%	12-month	9.00%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of September 12th, 2022. Genesis borrows unsecured. Rates are subject to change.

11:02



Steve Sokolowski

11:07



Hanson - Genesis

Outgoing (334 seconds)

13 September 2022



Steve Sokolowski

08:16

hey Hanson, just wanted to ask a quick question - how is it that Gemini is offering rates of 3.04% on ETH open term, while your posted rates are less than that

shouldn't Gemini need to pay less than what Genesis pays Gemini?

08:16



Hanson - Genesis

09:56

Hey Steve, we work with retail based platforms such as Gemini to access markets which we otherwise could not (as we are institutional facing). They also provide us with inventory in names which we might not otherwise have supply in which benefits our business

The rates Gemini pays can vary from facing us directly 09:56

As also we are much more high touch/bespoke when clients face us directly 09:56



Steve Sokolowski 09:57

ok, thanks – I was just trying to figure out what the reason for the mismatch is,



Hanson – Genesis 09:57

They can also subsidize rates if they would like

We give them one rate we pay them 09:57

They can if they choose add more on top 09:57

Which drives clients to their exchange etc 09:57



Steve Sokolowski 09:57

ah, I see, so they might believe ppl will trade that interest for other coins



Hanson – Genesis 09:58

Yes or just use their custody etc or other business lines once onboarded

3 November 2022



Hanson – Genesis 09:44

Hey Steve



09:45



09:45

As I explained to you, we did not have ETHW to give to you because of the legal contract outlined which was executed. This same legal contract is in place with our borrowers with the same terms. 09:45

there was no ETHW that we received from them to pay you as a lender 09:46

SS **Steve Sokolowski** 09:56
oops – I will clarify that
part of this was written before you said anything about ETHW, and it's my mistake not to have corrected it 09:56

H **Hanson – Genesis** 09:58
Its okay just want to make sure that the information is accurate there if you are choosing to write about it haha

SS **Steve Sokolowski** 09:58
I definitely want to have accurate information
after all, this one recommends Genesis 09:58
my only complaint with Genesis really in the past was that your rates were so much lower than the other companies 09:58

H **Hanson – Genesis** 09:58
not. Genesis explained the issue by stating that their forked coins, which is reasonable. They didn't clarify huge wallets to facilitate trades, and what happened to re-lent. That ETHW was likely pocketed by Genesis.
this part in particular, we didn't receive it from borrowers as well so nothing to pocket

SS **Steve Sokolowski** 09:59
in regards to that specific statement, there is money you have in huge wallets, right?
that you use to facilitate trades, like if I were to ask you to sell all the dogecoins 09:59
so if dogecoin forked, you would have a lot of money 09:59
are those wallets custody wallets for other people's money? 10:00
that would help with clarifying that point 10:00
wallet 0x0548f59fee79f8832c299e01dca5c76f034f558e, for example 10:00

H **Hanson – Genesis** 10:01
we have many different wants and funds either in custody using a 3rd party such as fireblocks, our own custody solution or directly one exchanges to facilitate trades
so we have to work with all of those providers if there is any fork 10:01

- to access any potential token 10:01
- SS** Steve Sokolowski 10:02
ok, am correcting that now
- SS** Steve Sokolowski 10:24
ok, finished – the corrections will be public when the next cache refresh occurs at the top of every hour
- H** Hanson – Genesis 10:41
thanks Steve
- appreciate it 10:41
- Let us know if you want to break your loan at BlockFi and move here 🤔🤔 10:41
- SS** Steve Sokolowski 10:42
I saw that your ETH rates declined
- so it wouldn't make sense anymore 10:42
- and that the ideal term is now longer, not five months but eight 10:43
- we would be insolvent with such a long term 10:43
- 8 November 2022
- SS** Steve Sokolowski 06:38
good morning, Hanson – we need to talk about whether you have uncollateralized loans with Alameda
- H** Hanson – Genesis 06:39
We do not
- 👍👍 06:39
- SS** Steve Sokolowski 06:39
ah, that's great news
- they're overcollateralized? 06:39
- if so that's all I need to ask 06:39
- Alameda clearly isn't long for the world with the way that token is performing 06:40
- SS** Steve Sokolowski 09:31
how much would you pay if we sent you back our 205 open-term ETH?
- can you match Gemini's rate of 2.25? 09:32



Hanson – Genesis

09:36

Genesis A Digital Currency Group Company					
BTC		ETH		USD	
Duration	Rate	Duration	Rate	Duration	Rate
Open Term	1.00%	Open Term	1.00%	Open Term	6.00%
1-month	1.75%	1-month	1.75%	1-month	7.00%
2-month	2.50%	2-month	2.50%	2-month	8.00%
3-month	3.00%	3-month	3.00%	3-month	9.75%
4-month	3.50%	4-month	3.50%	4-month	9.85%
5-month	4.00%	5-month	4.00%	5-month	9.95%
6-month	4.50%	6-month	4.50%	6-month	10.00%
7-month	5.00%	7-month	5.00%	7-month	10.50%
8-month	5.50%	8-month	5.50%	8-month	11.00%
9-month	5.25%	9-month	5.25%	9-month	11.25%
10-month	5.00%	10-month	5.00%	10-month	11.50%
11-month	4.75%	11-month	4.75%	11-month	11.75%
12-month	4.50%	12-month	4.50%	12-month	12.00%

Genesis minimums: BTC = 100 units | ETH = 1000 units | USD and major stables = \$2mm
* Indicative rates as of November 7th 2022. Genesis borrows unsecured. Rates are subject to change.

here is our current rates

can beat 2.25 for duration on ETH

09:36



Steve Sokolowski

09:36

[Protected by NDA]

I'll just go to cold storage

09:36



Hanson – Genesis

09:37

Okay sounds good



Steve Sokolowski

09:37

BlockFi will only provide a generic response that they can meet obligations to the question of whether their loans to Alameda are collateralized



Hanson – Genesis

09:40

In reply to [this message](#)

Thanks Steve

I hope they can continue to process withdrawals

09:41



Steve Sokolowski

09:42

I hope so too, we won't be your customer anymore if they don't, because we'll be wiped out

but the whole situation could just be panic too

09:42

even if BlockFi is in trouble that doesn't mean that Alameda will collapse

09:43



Hanson – Genesis

09:43

In reply to [this message](#)

it definitely feels that way, big run on the bank which causes other market participants to feel the same way

for what its worth, we have seen FTX restart processing withdrawals once US bank sopened

09:44

they must have a very very large backlog

09:44

 **Steve Sokolowski** 09:44
I don't think that FTX is actually insolvent
it's only about whether people sell the FTX token down enough to cause Alameda to fail 09:44

11 November 2022

 **Steve Sokolowski** 15:53
so I guess the lesson learned here is that it is just not possible to determine who is a fraudster in this industry
there were a lot of really smart people who told me that Alameda Research was the gold standard 15:54

5 December 2022

 **Hanson – Genesis** 16:08
Hey

 **Steve Sokolowski** 16:08
hi Hanson

Exhibit I

5 December 2022

 **Hanson** 16:08
messaging you here

our work telegrams are monitored 16:08

are you working with any of these larger creditor groups? 16:08

happy to put you in touch with them 16:09

 **Steve Sokolowski** 16:09
I think I have a different cause of action, so I'll be going alone

sorry I can't discuss any further, I just want the address 16:10

 **Hanson** 16:13
In reply to [this message](#)
Can you clarify?

 **Steve Sokolowski** 16:13
no

 **Hanson** 16:13
Ok

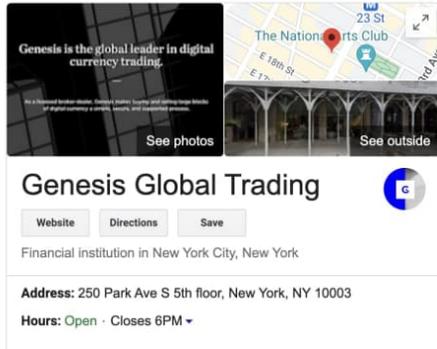
 **Steve Sokolowski** 16:13
this is a legal matter

I just want the address and it will be in the demand letter 16:13

 **Hanson** 16:13
Sounds good Steve

 **Steve Sokolowski** 16:13
thanks!

 **Hanson** 16:13



Our address can be found online here

16:13



Steve Sokolowski

16:14

thanks for your help, have a great night



Hanson

16:14

You too

Exhibit J



Lending / Dashboard [Share feedback](#)

VIEWING CRYPTOCURRENCY MANAGEMENT LLC (PRINCIPAL)

CURRENT LOAN RATES

SELECT AN ASSET
BTC

Open 1.00%

1 Month 1.75%

3 Month 3.00%

6 Month 4.50%

12 Month 4.50%



[View All Rates](#)

LOAN SUMMARY

Value of Loans
\$3,282,674.98

[Daily Balance Details](#)

Total Interest Accrued MTD
\$9,479.56

[Daily Interest Details](#)

\$0.00 Value of Collateral
0.00% Margin Required
0.00% Current Collateral Level
0.00% Diff In %



BALANCES

Asset	Qty	Px	Avg Rate	USD Equivalent	Int. Accr MTD
BTC	87.07	\$ 16,524.07	5.00%	\$ 1,438,808.25	\$ 3,388.37
ETH	1,070.00	\$ 1,209.14	5.00%	\$ 1,293,779.80	\$ 3,131.33
USD	48,016.05	\$ 1.00	9.50%	\$ 48,016.05	\$ 200.00
USDC	502,070.88	\$ 1.00	9.50%	\$ 502,070.88	\$ 2,090.82
Total				\$3,282,674.98	\$8,810.51

SNAPSHOT

ID	Status	Type	Asset	Qty	Rate	Structure	Effective Date	Expiry Date	Return Date	Margin Refill %	Current Margin %	Collateral Assets
169168	Active	INTEREST	USD	461.76	9.5000%	OT	2022-11-01	-	-	0%	-	-
168932	Active	INTEREST	USDC	4,018.53193	9.5000%	OT	2022-11-01	-	-	0%	-	-
168137	Active	LOAN	USD	2,484.16	9.5000%	OT	2022-10-31	-	-	0%	-	-
166231	Active	INTEREST	USD	445.92	9.5000%	OT	2022-10-01	-	-	0%	-	-
166008	Active	INTEREST	USDC	3,858.771731	9.5000%	OT	2022-10-01	-	-	0%	-	-
165579	Active	LOAN	ETH	1,070	5.0000%	FT	2022-09-30	2023-09-30	-	0%	-	-
165135	Active	LOAN	BTC	87.07347843	5.0000%	FT	2022-09-23	2023-09-23	-	0%	-	-
163595	Active	INTEREST	USD	457.07	9.5000%	OT	2022-09-01	-	-	0%	-	-
163367	Active	INTEREST	USDC	4,460.264202	9.5000%	OT	2022-09-01	-	-	0%	-	-
162717	Active	LOAN	USDC	445,241.130181	9.5000%	OT	2022-08-29	-	-	0%	-	-

Page 1 of 3

Show Inactive

LATEST DOWNLOADS

Date	Document
2022-11-15	Daily Report PDF
2022-11-14	Daily Report PDF
2022-11-13	Daily Report PDF

LATEST ACTIVITY

Date	Asset	Transaction	Rate	Qty
2022-11-13	BTC	Loan Return	5%	0.60
2022-11-13	ETH	Loan Return	5%	6.38
2022-11-13	BTC	Loan Return	5%	0.37

RATES ARE READ-ONLY
Rates displayed are indicative. Please reach out to your Genesis sales contact for more information.

Exhibit K

FIRM NAME

Cryptocurrency Management LLC

Address

3178 Carnegie Dr

Apt/Suite

City

State College

State/Province

PA

Zip/Postal Code

16803-1154

Country

USA

The onboarding process at Genesis encompasses full disclosure of the counterparty's financial profile as well as the detailed due diligence questionnaire, below. This assessment will help Genesis properly evaluate the counterparty's needs and govern the overarching relationship between the companies. Detailed responses to the DDQ will directly impact optimal collateralization levels, loan rates and exposure levels.

Please address each question in full. If not applicable, please enter N/A.

FIRM

Entity Full Legal Name and Address

Cryptocurrency Management LLC, 3178 Carnegie Drive, State College PA 16803-1154

Jurisdiction of Formation

Pennsylvania

Date of Formation

2021-04-13

EIN

86-3726002

Company Registration Number

7258794

Primary Location(s) of Operations (full address)

3178 Carnegie Drive, State College PA 16803-1154

Primary Contact for the Entity (name and phone number)

Stephen Sokolowski

Description

The purpose of this organization is to collect funds and exceed Genesis's minimum loan amounts, and to loan funds to Genesis Trading.

FIRM

Inception date

2021-04-13

Total assets

20,000,000

Equity

Team background

Software engineer

Please send the following information attached or to risk@genesiscap.co.

Check below the files you have attached or sent.

- | | |
|--|--|
| <input checked="" type="checkbox"/> Organizational Chart | <input type="checkbox"/> Corporate Legal Structure |
| <input type="checkbox"/> Balance Sheet | <input type="checkbox"/> Corporate Slide Deck (if available) |
| <input type="checkbox"/> Hardware Mining Forecast Model | |

RELATIONSHIP

Proposed nature of relationship with Genesis (Check all that apply)

- | | | |
|---|--|-----------------------------------|
| <input type="checkbox"/> Borrowing | <input checked="" type="checkbox"/> Lending | <input type="checkbox"/> Shorting |
| <input type="checkbox"/> Leveraged Long | <input type="checkbox"/> Equipment Financing | |

Digital asset pairs

Size of loan

What tenor of a loan you are seeking?
(OT/FT/FTP)

What is the LTV % your firm is seeking?

What assets will you be pledging as collateral against your loan?

Which digital assets do you own? (List each with % of total digital assets value)

BTC 50%, ETH 30%, LTC 15%, ETC 5%

RISK

Please describe total cryptocurrency exposure as % of total capital base.

100%

What type of diversification is in place?

How many exchanges do you trade on worldwide?

Not engaged in trading

What is your concentration on each exchange you use?

Describe your risk mitigation techniques, including hedging strategy in detail.

Amount of Insurance and Underwriter

Private key storage and security procedures

Funds to be sent direct to Genesis, no local storage

Daily average loan balance over last 6 months

Company will only loan to Genesis, just formed

For the most recent quarter, what percentage of your firm's loans is collateralized and what is the average collateralization level?

How many credit events resulting in the liquidation of collateral has the firm experienced in the last 12 months?

What is the notional value concentration % in your largest single counterparty?

Are there any senior secured interest(s), charges or other encumbrances currently in place that may jeopardize your ability to repay any amounts owed to Genesis in the event of an insolvency or default on the senior secured loan?

RISK

Any other material disclosures (including any existing security interests over the assets of the company)?

IF YOU ARE A TRADING FIRM / CRYPTO FUND

Please describe the fund's trading strategy.

Does the company have other funds it offers to investors?

Please describe mandate. Is it skewed to bear, bull, low volume, high volume, low vol or high vol markets?

Fund returns (% , yearly or monthly, if available)

Number of positive months since inception

Daily exchange volume

IF YOU ARE AN EXCHANGE

Coins/assets offered on exchange

Leverage offered to active traders on platform. Quantification of traders by amount of leverage offered.

Daily exchange volume

How many developers do you have supporting the exchange?

IF YOU ARE A MINING COMPANY

CURRENT OPERATIONS

When did you first start mining?

MW of mining you have today

Number of machines mining today

Type of machine (manufacturer/model)

What coins are you mining today?

What pool are you connected to?

Is your strategy to mine and hold or mine and liquidate?

How long have you been mining at this scale?

Are you mining at your own location or a hosted location?

If you are mining at your own location, are you also providing hosting services?

Location of mining/hosting farm

All-in operational/hosting cost per KW/hr

How many full-time employees?

What mining software do you use and can DCG/Genesis obtain access?

Do you have insurance on your current machines?

IF YOU ARE A MINING COMPANY

FUTURE OPERATIONS

Type of machine planned for purchase (manufacturer/model)

Number of machines planned for purchase	Expected MW needed to support machines purchased
---	--

Will you be self-mining or purchasing these for re-sell?

Which coins will you be mining?

Which pools will you be mining to?

What mining software do you use and can DCG/Genesis obtain access?

Can you provide monthly reporting to DCG to ensure miner efficiency?

Location for planned machines

Timing to purchase machines

Timeframe to deployed machines purchased?

IF YOU ARE A REMITTANCE COMPANY

Please describe mandate. Please describe the uses of funds.

Describe operational flow and proof of flow of funds.

IF YOU ARE A REMITTANCE COMPANY

Please offer location of majority of business.

Please describe your fixed expenses as they relate to operating the terminals.

Please describe the % of terminals that are operational at any time.

SIGNATURE

I, Stephen Sokolowski (NAME), hereby attest that, to the best of my knowledge and belief in my capacity as Owner (ROLE), all information in the above referenced data reported is accurate and complete.

Signature

Stephen Sokolowski

Date

2021-05-07

Name

Stephen Sokolowski

Telephone

814-600-9800

Email

Steve@shoemaker village.org

Exhibit L

Hi Stephen,

I hope all is well on your end and you are navigating these turbulent markets. My name is Rory Schlageter and I am on the Institutional Custody team here at Genesis. I wanted to ask if you would be willing to engage in the conversation of using Genesis as a custodian? The solution's dynamism allows us to work with several client types in tailor-made ways.

I would be happy to hop on a call and discuss in more detail. Some high-level features of the Genesis Custody solution include:

- Secure, segregated, multi-stage and multi-party cold storage of digital assets at repurposed nuclear bunker sites.

- Flat fee pricing model where clients are never charged basis points on value of their assets or withdraw fees

- Integrated so that clients can access liquidity promptly from other Genesis desks, without sacrificing security

- Assets in cold storage can be used as collateral for trades with lending or derivatives desk

- \$100M crime and specie insurance policy underwritten by Lloyd's of London

- Registered with the Financial Conduct Authority as a Cryptoasset Business

If you think a call would be beneficial, please feel free to throw some time on my calendar [here](#) or let me know your availability.

Best,



Rory Schlageter Genesis Global Trading Analyst, Institutional Custody
Sales rschlageter@genestrading.com M +1 (551) 316-9264 250 Park Avenue
South, 5th Floor New York, NY 10003

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From Genesis Support <support@genesistrading.com> @

Reply Forward Archive Junk Delete More

To 'Stephen Sokolowski' @

7/1/2022, 9:49 AM

Reply to lendingops@genesistrading.com @

Subject **Your Genesis Interest Statement for June 2022 is ready!**

Genesis

Your interest for the month of June 2022 is ready to view and download on **Genesis Prime!**

All interest owed by borrowers is due no later than **July 15th, 4pm EST.**

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Instructions

1. Navigate to Lending >> Interest.
2. Choose the period (June 2022) and type (Invoice or Statement).
3. Click "Update." The download button is on the right.

On Prime, you can download an invoice or statement from any month, at any time, for your entire lending/borrowing history with Genesis.

Questions?

Please reach out to Genesis Operations via Telegram or email (lendingops@genesistrading.com) for any questions or withdrawal requests.

Best,
The Genesis Team

This is an automatically generated message from Genesis. If you need help, contact us at support@genesistrading.com.

Genesis, 250 Park Avenue South, New York, NY

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**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

STEPHEN H. SOKOLOWSKI and
CHRISTOPHER H. SOKOLOWSKI,
Plaintiffs,

Electronically Filed

v.

Case No. 4:25-cv-00001-PJC

DIGITAL CURRENCY GROUP, INC.,
BARRY E. SILBERT, and
SOICHIRO "MICHAEL" MORO,
Defendants.

Hon. Phillip J. Caraballo

**DECLARATION OF CHRISTOPHER SOKOLOWSKI AUTHENTICATING
TRANSCRIPT EXHIBIT**

I, Christopher H. Sokolowski, declare as follows:

1. I am over the age of eighteen and am competent to make this

Declaration.

2. I am a Plaintiff in the above-captioned action, proceeding pro se.
3. A true and correct copy of the transcript of Stephen Sokolowski's interview with Laura Shin (the "Transcript") is attached to the Complaint in this matter as Exhibit E.
4. I prepared (or supervised the preparation of) the Transcript from the original audio/video recording of the interview to the best of my ability.
5. To the best of my knowledge and belief, the Transcript accurately reflects the conversation that occurred during the interview.

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

Date: March 25, 2025

/s/ Christopher H. Sokolowski

Christopher H. Sokolowski, Pro Se Plaintiff

3178 Carnegie Drive

State College, PA 16803

(814) 600-9804

chris@shoemakervillage.org

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

STEPHEN H. SOKOLOWSKI and
CHRISTOPHER H. SOKOLOWSKI,
Plaintiffs,

Electronically Filed

v.

Case No. 4:25-cv-00001-WIA

DIGITAL CURRENCY GROUP, INC.,
BARRY E. SILBERT, and
SOICHIRO “MICHAEL” MORO,
Defendants.

Hon. Phillip J. Caraballo

**DECLARATION OF STEPHEN SOKOLOWSKI AUTHENTICATING
EXHIBITS**

I, Stephen H. Sokolowski, declare as follows:

1. I am over the age of eighteen and am competent to make this

Declaration.

2. I am a Plaintiff in the above-captioned action, proceeding pro se.
3. A true and correct copy of the Stephen Sokolowski's Telegram conversations are included in Exhibits F, H, and I.
4. A true and correct copy of the Cryptocurrency Management LLC's operating agreement is included in Exhibit G.
5. A true and correct screenshot of the Genesis Web dashboard is included in Exhibit J.
6. A true and correct copy of the Genesis Due Diligence Questionnaire is included in Exhibit K.
7. The E-Mails provided in Exhibit L are true and correct and were received by me.

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

Date: March 25, 2025

/s/ Stephen H. Sokolowski

Stephen H. Sokolowski, Pro Se Plaintiff

3178 Carnegie Drive

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steve@shoemakervillage.org

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FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

STEPHEN H. SOKOLOWSKI and
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Electronically Filed

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Defendants.

Hon. Phillip J. Caraballo

CERTIFICATE OF USE OF GENERATIVE AI

Pursuant to the Order of the Honorable Phillip J. Caraballo regarding the use of Generative AI in any document filed in this Court, Plaintiffs hereby certify as follows:

1. **Specific AI Tool Used:** Plaintiffs utilized Google Gemini Pro 2.0 Flash Thinking, Google Gemini Pro 2.0 Experimental 1219, Google Gemini Pro 2.0 Experimental 0205, Google Gemini Pro 2.5 Experimental 0325, OpenAI o3-mini-high, OpenAI ChatGPT o1, OpenAI ChatGPT o1 pro, Anthropic Claude 3.5 Sonnet (New), Anthropic Claude 3.7 Sonnet, Grok 3, and OpenAI ChatGPT Deep Research.

2. **Portions of the Filing Prepared by AI:** Most of the Complaint was written by AI models, rewritten by humans, and double-checked to be legally sound by the models without making additional changes.

3. **Accuracy Check:** Plaintiffs have thoroughly reviewed and verified the accuracy of all text, citations, and legal authority generated by the AI tool. All citations and references included in the filing have been confirmed to exist and accurately reflect the cited authorities. Plaintiffs have ensured that no confidential or privileged information was disclosed to the AI tool.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: March 25, 2025

Respectfully submitted,

/s/ Stephen H. Sokolowski

Stephen H. Sokolowski, Pro Se

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State College, PA 16803

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/s/ Christopher H. Sokolowski

Christopher H. Sokolowski, Pro Se

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FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

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Defendants.

Hon. Phillip J. Caraballo

CERTIFICATE OF SERVICE

I hereby certify that on March 25, 2025, I filed the foregoing amended Complaint with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all counsel of record.

Dated: March 25, 2025

Respectfully submitted,

/s/ Stephen H. Sokolowski

Stephen H. Sokolowski, Pro Se

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/s/ Christopher H. Sokolowski

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