

June 22, 2021

Dear unsecured creditors of Cred Inc., *et al.*,

We thank the unsecured creditors for their patience and apologize for the delay in communicating this update. In the interest of reducing costs, the Trustees have determined to release updates only when we have items of substance to share. Furthermore, delay is sometimes necessary so as not to prejudice the Trust by providing notice to potential targets of the Trust's current investigations. The Trustees will provide further updates in a similar fashion in due course.

There are four main areas of progress we can share at this point: (1) the investigation of James Alexander's conduct, including his improper transfer of Cred's cryptocurrency and other assets; (2) the Quantcoin investigation; (3) investigations of Cred executives and other third parties; and (4) document collection and review.

In summary, the Trust has made excellent progress in the short period of time since its inception on April 19, 2021.

(1) The investigation of James Alexander's conduct

The Trust's lead counsel, McDermott Will & Emery, has deposed James Alexander four times, analyzed a number of supplemental productions and declarations, and pursued a contempt motion. The contempt motion was ultimately adjudicated on June 14, 2021, when Judge Noreika of the United States District Court for the District of Delaware issued a rare ruling holding Alexander in contempt of court. Judge Noreika issued a sanction that Alexander is precluded from ever challenging that certain transactions he engaged in related to Cred were improper. During the course of our investigation into Alexander, we uncovered additional Coinbase wallets, additional bank accounts, and have already obtained the return of a significant amount of BTC, USDC and fiat from him. Information and testimony from this process will help the Trust in its pursuit of third parties, including other executives, Alexander's "consultants," and any recipients the Trustees identify that received Quantcoin BTC or other funds Alexander may have taken from Cred. Notably, during his final depositions, Alexander pleaded the Fifth Amendment to all questions concerning Quantcoin.

(2) Quantcoin investigation

The Trust has been utilizing a cryptocurrency tracing consultant to identify the individuals responsible for the stolen Quantcoin BTC. The consultant enabled us to identify a number of cryptocurrency exchanges that the Quantcoin BTC passed through. The Trust issued formal

information requests under the Bankruptcy Rules to those cryptocurrency exchanges. The Trust has received responses to many of these requests. The Trust's investigation into Quantcoin is ongoing.

(3) Bankruptcy investigation of Cred executives and other third parties

The Trust has aggressively issued subpoenas to certain Cred executives, parties who contracted with Cred, and cryptocurrency exchanges, and has and will be deposing many of these potential witnesses and targets in the coming weeks. To date, each of these witnesses and targets has agreed to voluntarily participate in the discovery process without motion practice.

(4) Document collection and review

The Trust has collected over 600,000 documents, and it continues to collect documents from third party individuals and witnesses. The Trust has been particularly focused on collecting cell phone data, including Whatsapp, WeChat, Telegram, and other messaging app data. The Trust has a team of lawyers reviewing these documents and are on track to complete the first level review of the high-priority documents by the end of June. This review is instrumental for preparing for the depositions that will occur in the coming weeks and developing a comprehensive litigation strategy.

Best regards,

The Liquidation Trustees

**DISCLAIMER**

**The information contained in this Letter is for informational purposes only and may not be relied upon for any other purpose. Nothing stated in this Letter shall be deemed or construed as an admission of any fact or liability by any party, or be admissible in any proceeding involving the Liquidation Trust, the Liquidation Trustees, the Liquidation Trust Advisory Board, or any other party. Certain statements contained in this Letter, by nature, are forward looking. There can be no assurance that such statements will reflect actual outcomes.**

**This Letter is not and should not be construed as legal advice, and may not be relied upon by any person for any reason. To the extent you have a legal question or issue, you should consult with your own legal counsel. All creditors are encouraged to review pleadings filed in Cred's chapter 11 cases by visiting the following link free of charge:**

**<https://www.donlinrecano.com/Clients/cred/Index>.**