

June 19, 2024

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

On April 19, 2021 (the “Effective Date”), Cred Inc. and its affiliated debtors’ (collectively, “Cred”) Chapter 11 Plan became effective. Three members of the Official Committee of Unsecured Creditors were appointed to serve as the Liquidation Trustees of the Cred Inc. Liquidation Trust (the “Liquidation Trust”). Additionally, two members of the Official Committee of Unsecured Creditors and two other creditors serve on the Trust Advisory Board, which is responsible for overseeing the activities of the Liquidation Trust and the Liquidation Trustees.

On the Effective Date, the Liquidation Trust took possession of Cred’s assets. Such assets primarily consisted of: (i) small amounts of cash, BTC, ETH, and other altcoins; (ii) outstanding debts owed to Cred; and (iii) all causes of action, including avoidance actions, that Cred could have brought against third parties. With respect to liquid assets, such assets were not of significant enough size to justify the cost and expenses associated with making an initial distribution on or shortly after the Effective Date. Instead, the Liquidation Trust would need to pursue litigation efforts in order to assets to make a more fulsome distribution. Those efforts began with a comprehensive investigation of the potential claims and causes of action that could be brought. Given the very poor state of Cred’s books and records, the investigation was a significant endeavor. To that end, the Liquidation Trust also completed extensive discovery, which includes not only reviewing hundreds of thousands of documents, but also taking numerous depositions and interviews. In order to facilitate those investigations, the Liquidation Trust conducted various blockchain analyses, completed substantial forensic accounting work, and retained private investigators.

As a result of those efforts, the Liquidation Trust has recovered a number of assets. As set forth in greater detail in the Statement of Trust Assets [Docket No. 1151], as of January 3, 2024, the Liquidation Trust’s assets include, among other things:

1. 2,094,250.13 USDC;
2. 511.16 BTC;
3. 2,086.315 ETH;
4. Other cryptocurrencies;
5. Approximately \$6,071,850; and
6. Approximately \$2,216,000 and 17.6947 BTC of value in settlement proceeds not yet collected.

To be clear, the Liquidation Trust is actively investigating additional claims into third parties and is hopeful that these efforts will yield additional recoveries. Unfortunately, we cannot provide additional detail on these investigations as doing so would frustrate and undermine the Liquidation Trust’s efforts.

As soon as these efforts conclude, the Liquidation Trust will complete the claims reconciliation process to establish the final general unsecured claims pool. The completion of this reconciliation process requires the Liquidation Trust to make final determinations as to whether to seek disallowance of certain unsecured claims that have been asserted against Cred.

As creditors ourselves, the Liquidation Trustees are focused on completing this process and ensuring we maximize recoveries for creditors. Following the conclusion of the Liquidation Trust’s investigations, along with the finalization of the unsecured claims pool, we will endeavor to provide distributions to creditors soon thereafter.

Lastly, we wanted to provide creditors with some additional insight as to the efforts undertaken by the Liquidation Trust over the past three years. The following articles and updates are intended to provide further information regarding the successful efforts of the Liquidation Trust in recovering assets that will be distributed to unsecured creditors:

- May 3, 2024 “Former Cred Executives Indicted on Wire Fraud, Other Charges”
 - [Link](#)
- May 3, 2024 “Former CEO, CFO, And CCO Of Cred LLC Charged With Alleged Multi-Million-Dollar Cryptocurrency-Related Wire Fraud Conspiracy” –
 - [Link](#)
- January 3, 2024 “Third Statement of the Cred, Inc. Liquidation Trust Regarding Certain Trust Assets”
 - [Link](#)
- July 6, 2023 “Crypto lender Cred collapsed in 2020 after pulling in \$135 million from customers. Its shady dealings foreshadowed FTX’s downfall—but regulators didn’t notice”
 - [Link](#)
- May 23, 2023 “Second Statement of the Cred, Inc. Liquidation Trust Regarding Current Trust Assets”
 - [Link](#)

- May 6, 2022 “First Statement of the Cred, Inc. Liquidation Trust Regarding Current Trust Assets”
 - [Link](#)
- September 22, 2021 “Trust Letter to Creditors”
 - [Link](#)
- June 22, 2021 “Trust Letter to Creditors”
 - [Link](#)
- April 28, 2021 “Trust Letter to Creditors”
 - [Link](#)

We will provide further updates as the investigation and reconciliation process near completion. Such correspondence will include information regarding the expected distribution process and timeline.

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>.