



**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

KEN WANG, individually and on behalf :  
of Nominal Defendant CEREBELLUM :  
NETWORK INC., a Delaware :  
Corporation, :

Plaintiff, :

v. :

FRED JIN, an individual, BRAD BAO, :  
an individual, MARTIJN BROERSMA, :  
and individual, MAREN :  
SCHWARZER, an individual, XIN JIN, :  
an individual, and FRANCOIS :  
GRANADE, an individual, :

Defendants, :

and :

CEREBELLUM NETWORK INC., a :  
Delaware Corporation, :

Nominal Defendant. :

C.A. No. 2026-\_\_\_\_-\_\_\_\_

**VERIFIED DIRECT AND DERIVATIVE COMPLAINT**

Plaintiff Ken Wang (“Wang” or “Plaintiff”), individually, and derivatively on behalf of Nominal Defendant Cerebellum Network Inc. (“Cerebellum” or the “Company”), brings this Verified Direct and Derivative Complaint against Defendants Fred Jin (“Fred”), Brad Bao (“Bao”), Martijn Broersma (“Broersma”), Maren Schwarzer (“Schwarzer”), Xin Jin (“Xin”), and Francois Granade (“Granade” and with Fred, Bao, Broersma, Schwarzer, and Xin, the “Defendants”), stating as follows.

## **NATURE OF THE ACTION**

1. This action arises from a scheme orchestrated by Fred to systematically misappropriate over \$58 million of Cerebellum's corporate assets while concealing his misconduct through fraudulent accounting, sham entities, and cryptocurrency "wash trading."

2. Fred founded Cerebellum in January 2019 to provide administrative, engineering, and operational services supporting the "Cere Network," a purported blockchain-based decentralized data cloud platform, and the \$CERE token, a cryptocurrency token used to pay for services, provide governance rights, and incentivize network participation in the Cere Network. Fred initially served as the Company's sole director (Bao and Granade later became directors as well) and has, since the Company's inception, been a director and the Chief Executive Officer, giving him unfettered control over corporate governance and assets.

3. Between 2019 and 2021, Cerebellum and its affiliated entities raised approximately \$42.9 million from private investors, public token sales, and asset issuances. These funds were entrusted to Cerebellum to build and operate the Cere Network technology platform.

4. However, instead of using these funds for their intended corporate purposes, the Defendants orchestrated a scheme to misappropriate corporate assets for personal enrichment. The scheme included:

(a) **Secret Token Dumps:** Immediately after the November 8, 2021, Initial Coin Offering (“ICO”), Fred caused approximately \$41.78 million worth of Cere Tokens to be transferred from Cerebellum’s treasury to cryptocurrency exchanges (HTX and Kucoin) and sold through personal accounts controlled by Fred, Schwarzer, and Xin—despite Fred’s repeated public promises that insider tokens were “locked” under strict vesting schedules.

(b) **Misappropriation of Investor Funds:** In 2021, Cerebellum raised \$28.3 million from over 5,000 investors, including many from the U.S., through the “Republic” (republic.com) public fundraising ICO platform. Between October 2021 and March 2022, Fred diverted at least \$16.6 million from Cerebellum’s Regulation D fundraising wallet, which came from Republic’s U.S. investors, into two undisclosed personal wallets, which Fred then used for unauthorized high-risk cryptocurrency speculation, resulting in approximately \$9.78 million in trading losses.

(c) **Systematic Looting of Corporate Wallets:** Fred diverted millions of additional dollars from at least five corporate cryptocurrency wallets (the “12E,” “28a,” “037,” “376,” and “cD2” accounts) into personal accounts for trading and personal use, including almost \$10 million in corporate funds that Fred lost through failed investments in collapsed protocols (Mochi, Neutrino USDN, Maple Finance).

(d) **Market Manipulation:** Fred worked with Gotbit Limited—a company later convicted of wire fraud and market manipulation—to employ sophisticated “bots” and “wash trading” to create the false appearance of organic Cere Token trading volume while Fred and his co-conspirators dumped their holdings.

(e) **Fraudulent Concealment:** Fred maintained complete control over 86% of Cerebellum’s financial records (the cryptocurrency ledger) and presented grossly falsified financial statements to shareholders and advisors, including fabricated payroll figures, fundraising amounts understated by over \$21 million, and false representations about multi-signature wallet controls.

5. The Defendants other than Fred also breached their fiduciary duties, and/or aided and abetted Fred’s breaches of fiduciary duty before they became officers and/or directors, including:

(a) **Maren Schwarzer** (Fred’s wife): Schwarzer served as sole director of a shell entity named BNW Network GmbH, acted as a signatory and key-holder on Company-controlled cryptocurrency wallets and exchange accounts holding Cerebellum and Cere Network assets, signed off on illicit transactions as a signatory for Cere Network token treasuries, operated personal cryptocurrency exchange accounts to receive and launder misappropriated proceeds, issued

backdated invoices for sham services, and used ill-gotten funds for personal expenditures and asset acquisitions.

(b) **Xin Jin** (Fred's brother): Xin was the Chief Operating Officer of the Company. He generated and held cryptographic keys needed to move tokens, transferred tokens from company treasuries, created plans to incorporate multiple entities to evade taxes, and served as signatory for token treasuries authorizing at least \$16.6 million in misappropriated investor funds and \$41.78 million in secret token sales.

(c) **Martijn Broersma**: Broersma, as the Chief Marketing Officer of the Company, knowingly made false public representations about Cere Network's Fortune 500 clients, technological capabilities, and financial performance; he also acted as a signatory and key-holder on Company-controlled cryptocurrency wallets holding Cerebellum and Cere Network assets. He threatened and intimidated employees and investors who complained.

(d) **Brad Bao**: Bao had been an investor in and advisor to the company since 2019. He was publicly represented to be a board member in 2021 and became a purported "independent" director of the Company for the purpose of lending credibility to the scheme, approved wrongful transactions despite knowing Fred's representations were fraudulent, accepted director and advisor's fees and early investor token allocations as compensation, approved at least \$53.78 million

in illicit transactions, and turned a blind eye to accounting fraud designed to cover up the scheme.

(e) **Francois Granade:** Granade became a board member of the Company in 2023 to approve and cover up wrongful transactions. Upon information and belief, Granade is a long-time associate of Fred. Upon information and belief, Granade was aware of, or consciously disregarded, the diversion and misuse of corporate assets and the concealment of material information from investors. Despite this knowledge, Granade continued to participate in Cere's operations and failed to take action to prevent or disclose the misconduct.

6. Defendants' conduct caused Cerebellum to suffer at least \$58 million in direct damages, destroyed its business relationships and reputation, and reduced the \$CERE token's value by over 99% (from \$0.47 at its peak to approximately \$0.0012 as of this filing).

7. Fred and his co-directors, co-officers, and co-conspirators fraudulently concealed their misconduct from 2019 through at least mid-2023. Fred maintained control over the cryptocurrency ledger representing 86% of corporate transactions, presented fabricated financial statements during March 2023 video conferences, and only after sustained pressure from shareholders and advisors did the scope of the fraud begin to emerge through forensic blockchain analysis conducted in late 2023 and throughout 2024–2025.

8. This action seeks to recover all damages caused by Defendants' breaches of fiduciary duty and aiding and abetting breaches of fiduciary duty, impose a constructive trust over any remaining misappropriated assets, obtain disgorgement of all profits and compensation obtained through wrongdoing, appoint a receiver to protect corporate assets, and obtain a complete and accurate accounting of all corporate transactions from 2019 to the present.

### **THE PARTIES**

#### **A. Plaintiff**

9. Plaintiff Ken Wang is a shareholder of Cerebellum. Wang acquired his shares in Cerebellum on or about January 2, 2019, as a co-founder of the Company, and has continuously owned shares at all times relevant to the claims asserted herein.

10. On June 6, 2019, Fred informed Wang that his compensation included 5% of Cerebellum's common stock (vesting over four years commencing January 1, 2019) and an additional 19% of Cerebellum's common stock (vesting over four years commencing May 1, 2019), plus performance bonuses and grants of \$CERE tokens, in exchange for Wang's service as an advisor to Cerebellum.

11. On September 7, 2022, Fred and Wang executed a term sheet which provided, *inter alia*, that:

Wang previously was promised equity interests in the Company, consisting of (a) a 5% equity interest, which would vest over a period of four (4) years beginning on January 1, 2019; and (b) an additional 19% equity interest,

which would vest over a period of four (4) years beginning on May 1, 2019. Within a reasonable period, not to exceed one year from the Effective Date, Company shall grant to Wang a fully-vested 19.8% equity interest in the Company in the form of common stock, subject to Wang's agreement to customary terms and representations in connection with such issuance. In consideration of the other terms set forth in this Agreement, Wang releases any and all claims to any further vesting or shares in the Company such that Wang shall not be entitled to any additional equity or shares in the Company, unless otherwise agreed in writing. As part of Wang's agreement to forgo the 4.2% equity interest, Jin will send \$200,000 to a designated wallet for the benefit of Wang's uncle, Frank Hu. Additionally Jin will grant 1% equity for Frank Hu to liquidate upon Series A.

12. On March 3, 2023, Wang, Cerebellum, and Fred confirmed issuance of Wang's 19.8% interest, and, along with Open Network Foundation (as signed by Fred), executed a Stock Repurchase Term Sheet, which provided that:

Wang has fully-vested 19.8% equity interest in the Company in the form of common stock. Wang has agreed with Jin and the Company to allow the Company to repurchase 1% equity interest from Wang. In return, within 1 day of signing this agreement, Jin will send \$250,000 through wire transfer . . . After such transfer, Wang would have 18.8% of equity in the Company in the form of common stock.

13. Cerebellum then effectuated a buyback of 1% of Wang's common stock for \$250,000, valuing Cerebellum at \$25 million as of that date.

14. Wang is the record holder of 18.8% of Cerebellum's common stock.



## **B. Nominal Defendant**

15. Nominal Defendant Cerebellum Network Inc. is a Delaware corporation incorporated on January 2, 2019, with its principal place of business in San Francisco, California.

## **C. Individual Defendants**

16. Defendant Fred Jin is an individual and, upon information and belief, a resident and citizen of San Francisco, California and/or Orlando, Florida. Fred co-founded Cerebellum on or about January 2, 2019, and has served continuously as a director of the Company, and its Chief Executive Officer, from inception to the present.

17. Defendant Maren Schwarzer is an individual and, upon information and belief, a citizen and resident of Germany. Schwarzer is Fred's wife. At all relevant times, Schwarzer served as the sole director of BNW Network GmbH ("BNW Network"), a German entity established by Fred and Schwarzer to facilitate the fraudulent scheme.

18. Defendant Xin Jin is an individual and, upon information and belief, a resident and citizen of California. Xin is Fred's brother. Xin is, upon information and belief, the Chief Operating Officer of the Company.

19. Defendant Martijn Broersma is an individual and, upon information and belief, a citizen of the Netherlands. Broersma served as Chief Marketing Officer of Cerebellum and the Cere Network from inception, reporting directly to Fred.

20. Defendant Brad Bao is an individual and, upon information and belief, a resident and citizen of California. Bao is known as the co-founder and former CEO of Lime (the mobile scooter company). Bao served as a purported “independent” director and before that, served as an advisor to the Company since 2019.

21. Defendant Francois Granade is an individual and, upon information and belief, a citizen and resident of France. Granade has served on Cerebellum’s board of directors since 2023.

**D. Relevant Non-Parties**

22. Non-party Interdata Networks, Ltd. (“Interdata”) is a British Virgin Islands entity that serves as the official issuer of the \$CERE token. Interdata is owned and controlled by Fred and was used as a vehicle to receive and transfer misappropriated corporate funds.

23. Non-party CEF AI, Inc. (“CEF AI”) is a Delaware corporation owned and controlled by Fred. Upon information and belief, Fred used misappropriated Cerebellum assets to fund this new startup venture.

24. Non-party BNW Network GmbH (“BNW Network”) is a German entity whose sole director is Schwarzer. BNW Network was used as a shell company to receive, hold, and launder proceeds from the fraudulent scheme.

25. Non-party Gotbit Limited (“Gotbit”) is a company founded and run by Alex Andryunin. Gotbit was recently convicted of wire fraud and market manipulation. Fred and Broersma engaged Gotbit to employ bots and wash trading to manipulate Cere Token trading volume and conceal the fraudulent dumping of tokens.

### **JURISDICTION**

26. This Court has subject matter jurisdiction over this action pursuant to 10 *Del. C.* § 341.

27. This Court has personal jurisdiction over Defendants Fred, Broersma, Bao, Xin, and Granade pursuant to 10 *Del. C.* § 3114(a) and (b) as current or former directors and/or officers of the Company, a Delaware corporation, and/or because they transacted business in Delaware, committed tortious acts causing injury to Cerebellum in Delaware, and/or purposefully availed themselves of the benefits of Delaware law by serving as directors and/or officers of a Delaware corporation. This Court also has personal jurisdiction over Schwarzer (and Xin, Bao, and/or Granade should it be determined they were not officers or directors) under the conspiracy

theory of jurisdiction because she/they aided and abetted Fred and Broersma's breaches of fiduciary duties.

28. This Court has personal jurisdiction over the Nominal Defendant, Cerebellum, pursuant to 10 *Del. C.* § 3111.

### **FACTUAL BACKGROUND**

#### **A. Cerebellum's Formation and Fundraising**

29. In 2019, Fred and Wang co-founded Cerebellum to provide services supporting a new cryptocurrency venture called the "Cere Network." The Cere Network was marketed as a blockchain-based decentralized data cloud ("DDC") platform that would use blockchain technology to enable businesses to securely capture, store, and share customer data.

30. The Cere Network would rely on a cryptocurrency token called the "Cere Token" (ticker symbol: \$CERE). The Cere Token was designed as a "native-utility" token integral to Cere Network operations, serving as a means to pay for services, provide governance rights, and incentivize network participation.

31. To fund development of the Cere Network and Cere Token, Fred—through Cerebellum and affiliated entities including Interdata—raised approximately \$42.96 million between 2019 and 2021:

(a) Approximately \$14.66 million from private investors through “Simple Agreement for Future Tokens” (“SAFTs”) sold at prices ranging from 2 to 3.5 cents per token;

(b) Approximately \$28.3 million from over 5,000 retail investors (including many U.S. investors) through public investment platforms including Republic, DAO Maker, and Polkastarter, via Regulation D Rule 506(c) and Regulation S offerings. These funds constituted corporate assets of Cerebellum and its affiliated entities and were entrusted to Fred to use for their stated corporate purpose: building, launching, and operating the Cere Network technology platform.

32. Fred has served as a director of the Company and its Chief Executive Officer since its inception. Since its inception, Fred has maintained complete control over corporate governance, operations, and finances without any independent board oversight, independent financial officers, or external auditors.

33. Fred was initially the sole director of the Company. However, in or about 2021, the Company publicly represented, including through a press release disseminated to prospective investors and the broader market, that Bao had joined the Company’s board. Although Bao did not become a director until 2023, Bao knowingly permitted himself to be held out as a board member prior to that time, and no corrective disclosures were made. These representations were made in connection with the promotion and sale of Cere-related investment interests and,

upon information and belief, were reasonably understood by investors as signals of governance oversight, institutional credibility, and board-level involvement. At no point was it disclosed that Bao’s purported board role was informal, prospective, or otherwise lacked legal effect.

34. In May of 2023, Granade became a member of the Company’s board.

35. Between January 2, 2019, and January 2023, Cerebellum never issued or provided any audited financial statements to its shareholders, investors, or advisors. Prior to 2021, Fred personally performed all accounting for Cerebellum. After 2021, Fred delegated accounting for fiat currency transactions (approximately 14% of total transactions) to a third party, Anelya Grant, but maintained exclusive personal control over the cryptocurrency ledger representing approximately 86% of Cerebellum’s financial transactions.

## **B. Fred’s Material Misrepresentations Regarding Token “Lock-Ups”**

36. In advance of a planned November 8, 2021, ICO, Fred and his co-conspirators made extensive public representations about “tokenomics”—the rules governing how Cere Tokens could be bought, sold, and transferred.

37. Of the 10 billion total Cere Tokens, Fred publicly represented that tokens would be distributed as follows: (1) 11% to public investors; (2) 9% to “Enterprise Partners”; (3) 8% to “Development Outreach”; (4) 8.3% to “Network Development”; (5) 4.9% to “Grants”; (6) 5% to “Marketing”; (7) 18% to the

leadership team including Jin; (8) 5% to advisors; (9) 5% to the Foundation; (10) 20.9% to private sale investors; and (11) 5% to “ERC20 Staking Rewards.”

38. In April 2021, Fred and Broersma published the “Cere Network Tokenomics” document, which was released to the public in advance of investor sales. In this document Fred and Broersma represented that insider tokens—including those held by the leadership team and advisors—would be “locked” and subject to strict vesting schedules to prevent insiders from selling immediately after the ICO.

39. Specifically, Fred repeatedly promised investors, advisors, and the public that:

(a) Insider tokens (including tokens held by Fred and the leadership team) were subject to “lock-up” provisions and could not be sold until at least 3–6 months after the ICO;

(b) Leadership team tokens would vest over an extended schedule, with no tokens unlocking until at least 6 months after the ICO;

(c) This vesting structure would align insiders’ interests with long-term project success; and

(d) The token distribution and supply were carefully managed to protect investors from dilution and manipulation.

40. These representations were material to Cerebellum's fundraising efforts and to the value of Cerebellum's corporate assets (the \$CERE tokens held in corporate treasuries). Upon information and belief, investors relied on Fred's promises about token lock-ups when deciding to invest in Cere Tokens.

41. These representations were knowingly false when made. Fred never intended to honor the promised lock-up and vesting schedules. Instead, Fred planned from the outset to secretly dump insider tokens immediately after the ICO for personal profit.

**C. The Secret Token Dump: \$41.78 Million Misappropriated Through Undisclosed Sales**

42. On or about October 31, 2021, approximately 10 billion Cere Tokens were "minted"—created and registered as unique tokens on the Ethereum blockchain. The newly minted tokens were held in cryptocurrency wallets under Fred's control.

43. After minting, Fred caused the tokens to be transferred to the Cere Network treasury address: 0x218F4947c58A8F2BC8F2f0ccd59494992c6d640f (the "Treasury Address"). This publicly viewable address served as the custodial point for Cere Tokens before distribution. The tokens in the Treasury Address were corporate assets of Cerebellum intended to fund network operations, employee compensation, and legitimate business expenses.



44. As scheduled, the ICO took place on November 8, 2021. The Cere Token immediately reached an all-time high price of approximately \$0.47 per token.

45. On November 8, 2021—the very day of the ICO—Fred, assisted by Schwarzer, Xin, Broersma, and Bao, caused massive quantities of Cere Tokens to be transferred from the Treasury Address to two centralized cryptocurrency exchanges: HTX Exchange (formerly Huobi) and Kucoin Exchange.

46. Specifically, on November 8, 2021, Fred caused the following transfers from the Treasury Address to the HTX Exchange:

(a) 120,000,000 Cere Tokens valued at approximately \$26,720,000 (transaction hash: 0x580d647780cd9acd1d28ed8f104e7-173f78d99fdafec64ca26bd87c69a36ebe6); and

(b) 180,000,000 Cere Tokens valued at approximately \$17,810,000 (transaction hash: 0x97a23f3ed9588c5f17fc3c58906521-e771c505d55ca7abcec958e8a258a6afc4).

47. The total transferred to HTX was 300,000,000 Cere Tokens valued at approximately \$44.53 million.

48. On November 8, 2021, Fred also caused the following transfers from the Treasury Address to Kucoin Exchange:

(a) 232,000,000 Cere Tokens valued at approximately \$34,440,000 (transaction hash: 0xc7c85fcfda5eaf8efbdf6a11663b130-dfe0a3692079a1125be04d402b8b16707); and

(b) 18,000,000 Cere Tokens valued at approximately \$2,670,000 (transaction hash: 0xb6159bcd30a32e118643d34cb35d0-eecf843b1bd4c59e4ab42972e12def086c6).

49. The total transferred to Kucoin was 250,000,000 Cere Tokens valued at approximately \$37.11 million.

50. In total, Fred caused 550,000,000 Cere Tokens—valued at approximately \$81.64 million at the time of transfer—to be moved from the Treasury Address to exchange accounts on November 8, 2021.

51. Upon information and belief, the tokens transferred to HTX and Kucoin were deposited into personal exchange accounts controlled by Fred, Schwarzer, and Xin.

52. Between November 8, 2021, and December 31, 2021, Fred—knowingly and intentionally assisted by Schwarzer, Xin, Broersma, and Bao—caused approximately \$41.78 million worth of these Cere Tokens to be sold and converted to “Tether” (USDT), a stablecoin pegged 1:1 to the U.S. dollar.

53. After conversion to Tether, the approximately \$41.78 million in proceeds were transferred from HTX and Kucoin “market maker” accounts into

numerous intermediate cryptocurrency wallets to launder the funds and obscure their origin.

54. Based on forensic blockchain analysis conducted in 2024–2025, at least \$26,391,614 of the misappropriated \$41.78 million was transferred to three laundering wallets controlled by Fred:

- (a) 0x617619b3eAcCeB13F15a80a0e19E04c8F8597cef;
- (b) 0xB0864E0553b49f870bfF502dcC65475A9C8908fd; and
- (c) 0xcCc467b2B922384E4f0A05f591d91e8B5D87766E.

55. From these laundering wallets, the misappropriated funds were further dissipated to mask their origins. The funds were routed through offshore shell companies including Interdata (BVI), Opendata Network Foundation (Panama), and eventually parked in nominee companies including BNW Network (Germany), whose sole director is Schwarzer.

56. Upon information and belief, Fred, Schwarzer, and Xin used the misappropriated \$41.78 million for personal enrichment and asset acquisitions, including asset interests held directly or indirectly by Defendants or their affiliates, funding Fred’s new startup CEF AI, and personal trading activities.

57. The Cere Token sales were made without any authorization from Cerebellum’s shareholders or board of directors (other than Fred himself). The sales were concealed from Cerebellum’s shareholders, advisors, and investors.

58. The sales directly contradicted Fred’s repeated public promises that insider tokens were “locked” and subject to strict vesting schedules. At the time Fred was secretly dumping tokens, the tokens supposedly allocated to employees and legitimate investors remained locked under the vesting schedule Fred had imposed.

59. The massive, undisclosed sales created significant downward pressure on the Cere Token price. From November 8, 2021, to December 31, 2021, the token price crashed from \$0.47 to \$0.06—an 87% decline in less than two months—due to the aggressive and improper selling by Fred, Schwarzer, and Xin.

60. As of the filing of this Complaint, the Cere Token trades at approximately \$0.0012—a 99.7% decline from its peak value. The token is now essentially worthless, and Cerebellum’s treasury holdings of Cere Tokens have been destroyed in value.

61. Fred’s secret token sales constituted breaches of his fiduciary duties and misappropriation of corporate assets.

#### **D. Market Manipulation Through Gotbit’s “Wash Trading”**

62. To conceal the secret token sales and create the false appearance of organic trading volume, Fred and Broersma engaged Gotbit Limited, a market manipulation firm founded by Alex Andryunin.

63. Gotbit was recently convicted of wire fraud and market manipulation related to artificially inflating cryptocurrency trading volumes to boost token listings and prices.

64. Fred and Broersma negotiated arrangements with Gotbit to employ sophisticated “bots” that would:

- (a) Divide bulk sales of Cere Tokens into smaller trades to avoid detection;

- (b) Perform “cross-exchange transfers” to obscure the source of tokens;

- (c) Recycle trading volume to make sales appear organic; and

- (d) Engage in “wash trading”—artificially generated trades designed to inflate volume without actual change in beneficial ownership.

65. Upon information and belief, Cerebellum paid fees to Gotbit for these market manipulation services. These payments constituted corporate waste, as they were made to facilitate Fred’s misappropriation of corporate assets rather than for any legitimate corporate purpose.

66. While Gotbit’s bots were selling tokens and generating fake volume, Broersma and Bao made promotional statements on Reddit, Telegram, and in press interviews falsely claiming:

(a) The launch of Cere Network’s “mainnet” (operational blockchain) was imminent;

(b) Fortune 500 companies were “already paying” for the platform;

(c) Insider tokens were “locked” for the long term; and

(d) The Cere Network had robust enterprise adoption and revenue.

67. These statements were knowingly false and made for the purpose of propping up demand and the price of the Cere Token to enable Fred to sell tokens at artificially inflated prices.

68. The wash-trading scheme helped create the illusion of healthy trading volume and price stability, allowing Fred to sell off tokens at a premium until the price collapsed. The scheme destroyed virtually the entire market capitalization of the Cere Token, scuttled business partnerships, and left Cerebellum with treasury holdings of nearly worthless tokens.

#### **E. \$16.6 Million Misappropriated from the Regulation D Wallet**

69. In addition to the secret token sales, Fred systematically drained Cerebellum’s primary Regulation D fundraising wallet.

70. Cerebellum’s Regulation D fundraising wallet address was: 0xbc8d28cd1821be81bc3a54e935cfd3cf686a0194 (the “RegD Wallet”). This wallet contained approximately \$28.3 million dollars from over 5,000 retail investors, many of whom were U.S. citizens.

71. Between October 2021 and March 2022, Fred caused at least \$16.6 million to be diverted from the RegD Wallet into two concealed cryptocurrency wallets under his personal control:

Fred Wallet A: 0x41318efd233207db1e78588e4a78fbb30bf1d376; and

Fred Wallet B: 0x14d2f4d1b0b5a7bb98b8ec62eb3723d461ffbcd2.

72. These diversions were accomplished through multiple transfers using intermediary addresses to disguise the movement of funds. Specific transactions included:

(a) \$4,000,000 USDC transferred October 3, 2021 from RegD Wallet to Fred Wallet A;

(b) \$3,500,000 USDC transferred October 4, 2021 from RegD Wallet to Fred Wallet B;

(c) \$1,000,000 USDC transferred October 11, 2021 from RegD Wallet to Fred Wallet B; and

(d) \$1,400,000 USDC transferred October 16, 2021 from RegD Wallet to Fred Wallet B.

73. Additional transfers totaling approximately \$6.7 million occurred from November 2021 through March 2022.

74. Fred Wallet A and Fred Wallet B were undisclosed personal wallets controlled exclusively by Fred. Fred never disclosed the existence of these wallets to Cerebellum's shareholders, investors, or advisors.

75. After diverting the \$16.6 million into his personal wallets, Fred used these corporate funds for unauthorized, high-risk cryptocurrency speculation, including investments in:

- (a) Uncollateralized lending protocols;
- (b) High-risk stablecoin pools;
- (c) Volatile liquidity pools; and
- (d) Speculative DeFi (decentralized finance) platforms.

76. Fred's reckless speculation with corporate funds resulted in catastrophic losses totaling approximately \$10.905 million:

- (a) Approximately \$6.51 million lost in the Mochi Protocol collapse;
- (b) Approximately \$345,000 lost in Neutrino USDN's collapse;
- (c) Approximately \$3.27 million lost from CVX/ETH liquidity pools; and
- (d) Approximately \$780,000 lost in Maple Finance.

77. As of August 2025, forensic analysis confirmed that only approximately \$585,000 remained in Fred Wallet A and Fred Wallet B combined. The balance of approximately \$9.77 million (after accounting for the \$9.78 million



in losses) was dispersed through exchanges and Fred’s network of shell companies and associates.

78. Fred never disclosed the existence of Fred Wallet A, Fred Wallet B, or the laundering network to Cerebellum’s board, shareholders, or investors. These wallets and transactions were not reflected in any corporate financial records.

79. Fred’s diversion of \$16.6 million from the RegD Wallet constituted: (a) breach of fiduciary duty through self-dealing and misappropriation of corporate assets; (b) conversion of corporate property; and (c) corporate waste through reckless speculation causing \$9.78 million in losses.

#### **F. Systematic Looting of Additional Corporate Wallets**

80. In addition to the misappropriation of \$41.78 million of tokens and \$16.6 million from RegD Wallet, Fred systematically looted at least five additional corporate cryptocurrency wallets, transferring millions of dollars in corporate assets to personal accounts.

81. Prior to March 2023, Wang had worked with Fred as an advisor regarding management of corporate funds and tokens. During this collaboration, Wang learned of certain cryptocurrency wallets that were used for corporate purposes. The wallet addresses for these corporate wallets are:

(a) 0xC7d5DCf0123e73b805482027BE6da52c557a512E (the “12E Account”);

- (b) 0x9445825BD781fD70c79E1221856920Bf837C428a (the “28a Account”);
- (c) 0xf6283b3df0b5753F4A8fF91830411A45804a7037 (the “037 Account”);
- (d) 0x41318Efd233207DB1E78588e4A78FbB30bf1D376 (the “376 Account”); and
- (e) 0x14D2f4D1b0B5A7bB98b8Ec62Eb3723d461ffBcD2 (the “cD2 Account”).

82. Based on discussions between Fred and Wang, Wang understood that the funds in these wallets were Cerebellum corporate assets and were to be managed for corporate purposes.

### ***The 12E Account***

83. On January 13, 2021, Fred and Wang discussed, and from this discussion Wang understood that the cryptocurrency balance in the 12E Account—equivalent to \$2,457,839—would be liquidated to cash and deposited in Cerebellum’s bank accounts with an FDIC-insured institution to ensure professional management of the funds.

84. In April 2023, Wang reviewed publicly available blockchain transaction records for the 12E Account and discovered that the account balance was \$0.

85. Through forensic examination of the transaction history, it appears that shortly after January 13, 2021, Fred diverted the entire \$2.46 million balance into his personal cryptocurrency wallets for personal trading activities, in direct contravention of Wang's understanding of what the funds would be used for and in breach of fiduciary duty.

### ***The 28a Account***

86. As of January 13, 2021, the 28a Account held a cryptocurrency balance equivalent to \$3,103,343.

87. Wang understood from discussions with Fred that these cryptocurrency assets were to be exchanged for more liquid and stable cryptocurrency assets and then transferred to a professionally managed custodial wallet maintained by a third party.

88. Instead, Fred transferred all cryptocurrency from the 28a Account into unidentified wallet addresses and centralized crypto exchanges, presumably under Fred's personal control.

### ***The 037 Account***

89. As of January 13, 2021, the 037 Account held a balance of \$440,000.

90. Wang understood from discussions with Fred that the cryptocurrency in this wallet was to be transferred to a third-party token operations company to help manage the liquidity and stability of the \$CERE token.

91. Instead of transferring these funds to the designated third-party company, Fred transferred the \$440,000 to personal wallets he owned and controlled.

***The 376 Account and cD2 Account***

92. As detailed above, Cerebellum and Interdata raised \$28.3 million through Regulation D and Regulation S offerings. The funds were initially held in a cryptocurrency wallet owned by Interdata.

93. After March 2023, Wang discovered through forensic examination that approximately \$18,000,000 of those funds had been transferred from Interdata's wallet into the 376 Account and cD2 Account.

94. The 376 Account and cD2 Account were personal wallets controlled by Fred. After accounting for trading losses, these accounts held approximately \$7,580,000 as of Wang's discovery.

95. These funds were never accounted for in Cerebellum's financial statements and were not disclosed to shareholders or investors.

96. Fred's systematic looting of the 12E, 28a, 037, 376, and cD2 Accounts resulted in the misappropriation of at least \$13.58 million in additional corporate assets (calculated as: \$2.46M + \$3.10M + \$0.44M + \$7.58M = \$13.58M).

## **G. Fraudulent Financial Reporting and Concealment**

97. From Cerebellum’s inception in January 2019 through at least mid-2023, Fred fraudulently concealed his systematic looting of corporate assets through falsified financial records, misleading statements to shareholders and advisors, and refusal to provide accurate accounting.

98. Between January 2019 and January 2023, Cerebellum never issued or provided any audited financial statements to its shareholders, investors, or advisors.

99. Fred maintained control over approximately 86% of Cerebellum’s financial records—the cryptocurrency ledger that tracked all transactions involving \$CERE tokens and cryptocurrency assets. Only approximately 14% of transactions (fiat currency transactions) were delegated to a third party after 2021.

100. Fred’s control over the cryptocurrency ledger enabled him to conceal the misappropriation of tens of millions of dollars in corporate assets from the Company’s shareholders and investors.

### ***Reports of Misconduct and Initial Demands for Records (January 2023)***

101. In January 2023, Wang and other advisors began receiving reports from former employees, advisors, and investors regarding allegations of misconduct and financial improprieties committed by Fred, including:

(a) Severe mismanagement causing over 70% of Cerebellum’s employees to leave the company in 2022 alone; and

(b) Misappropriation of company funds for Fred's and other officers' personal purposes.

102. As a result of these reports, Wang and other advisors and investors began demanding that Fred provide accurate financial records of Cerebellum.

103. Fred steadfastly refused to provide financial records, claiming he was not required to provide such records to outside advisors.

104. After growing pressure from outside parties and investors, Fred eventually agreed to conduct video screen-sharing sessions with Wang and another investor but refused to share the financial records themselves.

### ***The March 2023 Fraudulent Video Presentations***

105. On March 22 and 24, 2023, Fred conducted video screen-sharing sessions with Wang and the other investor purporting to show Cerebellum's financial records.

106. The records Fred displayed during these video sessions consisted of rudimentary Excel spreadsheets containing obviously fraudulent entries and false data, including:

(a) **Fabricated Payroll Figures:** The screen share showed Cerebellum cryptocurrency payroll expenses of exactly \$200,000 for all of 2019 and exactly \$500,000 for all of 2020. The probability that total salaries, expenses, taxes,

and fees for an entire year would equal such round numbers is extraordinarily low and strongly suggests fabrication.

(b) **Understated Fundraising Amounts:** The screen share showed equity entries of \$3,000,000 and \$25,000,000 from previous fundraising rounds. Based on publicly available information and Wang's personal involvement in these fundraising efforts, Wang knew these figures were false. The actual amounts raised were \$3,656,450 and \$28,300,000, respectively, meaning Fred understated these specific fundraising rounds by approximately \$4 million.

(c) **Misrepresented Corporate Assets:** Fred falsely reported that Cerebellum had raised only \$63.5 from all financing efforts. In reality, Cerebellum had raised \$42.96 million in legitimate investor funds and held corporate assets (including Cere Tokens) worth tens of millions of dollars more. Fred's misrepresentations concealed the true value and disposition of Cerebellum's assets, including over \$58 million that he and his accomplices would misappropriate.

107. Despite these obvious discrepancies and impossible figures, Fred represented to Wang and the other investor that the amounts shown were "true and accurate."

108. Fred further falsely represented that:

(a) \$CERE tokens controlled by Cerebellum were held in “multi-signature wallets” requiring multiple signatories to authorize transactions, providing appropriate checks and verification for use of corporate funds;

(b) Approximately \$22 million was securely held in a hardware wallet under his control;

(c) An additional \$2 million was held in a multi-signature wallet jointly controlled with his wife, Schwarzer;

(d) Corporate funds were being professionally managed and safeguarded; and

(e) All fundraising amounts and expenditures were accurately reflected in the records shown.

109. Each of these representations was knowingly false when made.

***Investigation Reveals Extent of Fraud (March–April 2023)***

110. Following the March 22 and 24, 2023 video conferences, Wang engaged a professional auditor to review the figures Fred had presented and to reconcile them with:

(a) Previous financial records of Cerebellum’s fiat transactions that Wang had obtained between January 2019 and March 2023;

(b) Publicly available blockchain transaction records; and



(c) Reports from vendors regarding their transactions with Cerebellum.

111. This investigation revealed that Fred had systematically falsified Cerebellum's financial records and concealed the misappropriation of tens of millions of dollars. Specifically, the investigation revealed:

(a) **Fabricated Multi-Sig Wallet Claims:** Contrary to Fred's representation that tokens were held in multi-signature wallets with independent controls, Fred was the sole personal signatory on wallets holding 52.3% of all \$CERE tokens—over half of Cerebellum's cryptocurrency assets—with no outside or independent control whatsoever.

(b) **Family Control of Additional Tokens:** An additional 42.2% of all \$CERE tokens were controlled by wallets where Fred, his brother Xin, and his wife Schwarzer were signatories, giving Fred and his family effective control over 94.5% of all Cerebellum cryptocurrency assets.

(c) **Massive Unaccounted-For Assets:** Based on the \$42.96 million raised through fundraising, the value of Cere Tokens held by Cerebellum, and blockchain-confirmed transactions, Cerebellum should have held substantially more assets than Fred reported. Fred's March 2023 claim of only \$24 million in treasury failed to account for tens of millions of dollars in corporate assets, including the Cere

Tokens that Fred and his accomplices would secretly liquidate for \$41.78 million and the \$16.6 million diverted from the RegD wallet.

(d) **Concealment of True Asset Values:** Fred systematically concealed the true value and location of Cerebellum's cryptocurrency holdings, falsely representing the security and accounting of corporate assets while simultaneously positioning himself and his family members to misappropriate over \$58 million.

(e) **No Cryptocurrency Accounting:** Fred had completely failed to account for cryptocurrency transactions, which represented approximately 86% of Cerebellum's total transaction volume.

(f) **No Tax Filings:** Cerebellum filed no federal income tax returns from 2018 to the present.

(g) **Unfettered Access to Corporate Assets:** Through his personal control of cryptocurrency wallets and his installation of family members as signatories, Fred had unfettered access to Cerebellum's cryptocurrency assets and could personally distribute and withdraw over half of Cerebellum's company assets without any authorization or oversight.

112. In April 2023, Wang reviewed publicly available blockchain transaction records and discovered evidence of the secret token sales, the RegD Wallet diversions, and the systematic looting of corporate wallets described above.

### ***Fred's Refusal to Investigate or Remedy Misconduct***

113. Following discovery of the issues described above, Wang began communicating these concerns to Fred and demanding that he investigate the financial improprieties and provide accurate accounting.

114. Fred steadfastly refused to acknowledge any misconduct or conduct any investigation into the issues raised by Wang.

115. Instead, on April 22, 2023, Wang received a letter from Fred's counsel accusing Wang of misconduct, including misappropriation of Cerebellum funds, destruction of company records, and meddling in company operations. These accusations were false.

116. On May 1, 2023, Wang responded through counsel, refuting Fred's false accusations and laying out in detail the financial improprieties Wang had discovered.

117. From May 2, 2023, to the date of this filing, the parties engaged in discussions to address the issues raised, but Fred refused to provide accurate financial accounting, conduct any meaningful investigation, or take any remedial action.

### ***Continued Concealment Through 2024–2025***

118. Throughout 2024 and into 2025, Fred continued to conceal the full extent of his misappropriation of corporate assets.

119. Only through extensive forensic blockchain analysis conducted by Wang and his advisors in late 2023, throughout 2024, and into 2025 did the full scope of Fred’s misappropriation gradually emerge.

120. As of the filing of this Complaint, Fred has never provided a complete and accurate accounting of Cerebellum’s financial transactions, cryptocurrency holdings, or the disposition of the approximately \$84.7 million raised from investors.

#### **H. Schwarzer, Xin, Broersma, Bao, and Granade’s Participation in the Fraudulent Scheme**

121. Defendants Schwarzer, Xin, Broersma, and Bao knew of Fred’s breaches of fiduciary duty and assisted him in furtherance of the scheme.

##### ***Maren Schwarzer***

122. Schwarzer knew that Fred was misappropriating Cerebellum’s corporate assets and provided substantial assistance by:

- (a) Serving as sole director of shell entity BNW Network, which received and held misappropriated proceeds;
- (b) Opening personal bank and cryptocurrency exchange accounts in her name to receive, hold, and launder misappropriated corporate funds;
- (c) Creating and issuing backdated invoices for sham “services” to justify fraudulent transfers;

(d) Serving as a signatory on Cere Network token treasuries holding corporate assets and signing off on the \$16.6 million misappropriation from the RegD Wallet and the \$41.78 million in secret token sales;

(e) Working with Xin to route investor funds through shell entities including Interdata and BNW Network to mask the origin and beneficiaries of transfers;

(f) Using misappropriated corporate funds to pay for rent, living expenses and personal expenditures and asset acquisitions, including asset interests held directly or indirectly by Defendants or their affiliates; and

(g) Refusing to provide accurate accounting or disclose the disposition of corporate funds despite demands from shareholders and investors.

123. Schwarzer knew or should have known that Fred's conduct was wrongful and that the funds she was helping to transfer, conceal, and spend were misappropriated corporate assets. Her substantial assistance was a proximate cause of the harm to Cerebellum.

### ***Xin Jin***

124. Xin knew or should have known that Fred was misappropriating Cerebellum's corporate assets and provided substantial assistance by:

(a) Generating and holding cryptographic keys necessary to transfer cryptocurrency tokens from corporate wallets;

- (b) Executing transfers of tokens from corporate treasuries to exchanges and personal wallets at Fred's direction;
- (c) Opening and operating personal cryptocurrency exchange accounts to receive misappropriated corporate funds;
- (d) Receiving and transferring substantial proceeds from the fraudulent scheme through accounts he controlled;
- (e) Helping conceal the source and destination of corporate funds through multiple transfers across wallets and shell entities;
- (f) Creating plans to incorporate multiple entities to evade taxes and obscure the flow of funds;
- (g) Serving as a signatory on Cere Network token treasuries and signing off on the \$16.6 million misappropriation from the RegD Wallet and the \$41.78 million in secret token sales; and
- (h) Refusing to provide accurate accounting or disclose the disposition of corporate funds despite demands from shareholders and investors.

125. Xin knew or should have known that Fred's conduct was wrongful and that the funds and tokens he was helping to transfer and conceal were misappropriated corporate assets. His substantial assistance was a proximate cause of the harm to Cerebellum.

***Martijn Broersma***

126. Broersma knew that Fred was misappropriating Cerebellum's corporate assets and provided substantial assistance by:

(a) Making knowingly false public representations about Fortune 500 clients, revenue, profitability, and technological capabilities to prop up investor demand for Cere Tokens while Fred was secretly dumping tokens;

(b) Making false representations about insider token lock-ups and vesting schedules to reassure investors while simultaneously knowing that Fred was violating those representations;

(c) Negotiating and executing the arrangement with Gotbit for market manipulation services designed to conceal Fred's token dumping;

(d) Making promotional statements on social media and in press interviews containing material falsehoods specifically designed to maintain token price while Fred sold his holdings;

(e) Signing off as a corporate officer on illicit transactions including at least \$12 million taken from public sales and the \$41.78 million in secret token sales;

(f) Threatening and intimidating former employees and investors who complained about financial improprieties to suppress disclosure of the fraud; and

(g) Participating in Fred’s fraudulent concealment by refusing to provide accurate financial records to shareholders and investors.

127. Broersma knew or should have known that Fred’s conduct constituted breaches of fiduciary duty and that his own false representations and assistance in concealing the scheme were wrongful. His substantial assistance was a proximate cause of the harm to Cerebellum.

***Brad Bao***

128. Bao knew that Fred was misappropriating Cerebellum’s corporate assets and provided substantial assistance or failed to prevent the wrongdoing by:

(a) Serving as a purported “independent” board member or advisor while failing to implement any meaningful oversight, governance controls, or financial safeguards;

(b) Approving or failing to prevent illicit transactions including the \$16.6 million misappropriation from the RegD Wallet and the \$41.78 million in secret token sales despite having a duty to exercise oversight;

(c) Accepting director’s fees and early investor token allocations that created conflicts of interest and compromised his purported independence;

(d) Obtaining insider knowledge of financial improprieties through his advisory role but failing to investigate, disclose, or take remedial action;



(e) Lending his credibility and reputation to the venture despite knowing or having reason to know that Fred's representations about Fortune 500 clients, revenue, and financial management were false;

(f) Turning a blind eye to obvious red flags including the lack of audited financial statements, absence of independent board members, absence of financial officers, and Fred's exclusive control over 86% of corporate transactions; and

(g) Failing to take any action to prevent further harm to Cerebellum after becoming aware of accounting fraud and financial improprieties.

129. Bao knew or should have known that Fred's conduct constituted breaches of fiduciary duty and that his failure to exercise oversight and his assistance in lending credibility to the scheme were wrongful. His actions and omissions were a proximate cause of the harm to Cerebellum.

***Francois Granade***

130. Granade was aware of substantial red flags concerning the misuse of Company assets and token allocations, yet failed to take any action to investigate, halt, or remediate such conduct. Instead, Granade approved or acquiesced in Board actions and omissions that enabled the continuation and concealment of the challenged transactions. His actions and omissions were a proximate cause of the harm to Cerebellum.

## **I. Tolling Based on Fraudulent Concealment**

131. To the extent any claims asserted in this Complaint would otherwise be barred by any applicable statute of limitations, the statute of limitations was tolled by Defendants' fraudulent concealment of their wrongdoing.

132. Fred and the other Defendants engaged in affirmative acts of concealment designed to prevent discovery of their breaches of fiduciary duty and misappropriation of corporate assets, including:

(a) Maintaining exclusive personal control over 86% of Cerebellum's financial records (the cryptocurrency ledger) and refusing to share these records with shareholders, advisors, or any independent party;

(b) Never preparing or providing audited financial statements from Cerebellum's inception through at least mid-2023, despite having a duty to provide accurate financial reporting;

(c) Presenting fabricated financial records during the March 2023 video conferences, including false payroll figures, understated fundraising amounts, and misrepresentations about the amount of treasury funds held;

(d) Falsely representing that corporate cryptocurrency assets were held in multi-signature wallets with appropriate controls when in fact Fred was the sole signatory with unfettered access;

- (e) Using shell entities, nominee companies, and multiple intermediate cryptocurrency wallets to conceal the flow of misappropriated funds;
- (f) Routing misappropriated funds through offshore entities in the British Virgin Islands, Panama, and Germany to obscure their origin and destination;
- (g) Employing Gotbit's market manipulation services to create the false appearance of organic trading volume and conceal the secret token sales;
- (h) Threatening and intimidating employees and investors who raised concerns about financial improprieties;
- (i) Refusing repeated demands from shareholders and investors for accurate financial accounting;
- (j) Making false accusations against Wang in April 2023 to deflect from Fred's own misconduct; and
- (k) Continuing to refuse to provide complete and accurate financial records through the date of this Complaint.

133. Fred and the other Defendants knew that their conduct constituted breaches of fiduciary duty and misappropriation of corporate assets, and they specifically intended to conceal this conduct from Cerebellum's shareholders and investors.

134. Due to Defendants' fraudulent concealment, Plaintiff could not have discovered the full extent of Defendants' misconduct through the exercise of

reasonable diligence until extensive forensic blockchain analysis was conducted in late 2023, throughout 2024, and into 2025.

135. Even with diligent investigation, the full scope of the fraud could not be discovered earlier because:

(a) Fred maintained control over the cryptocurrency ledger representing 86% of corporate transactions;

(b) Corporate cryptocurrency transactions were not reflected in any financial statements or fiat currency ledgers;

(c) The blockchain addresses for corporate wallets were not disclosed to shareholders;

(d) Transactions were routed through multiple intermediary addresses and shell entities specifically to obscure their nature;

(e) Fred presented fabricated financial records in March 2023 that deliberately misstated the true financial condition of Cerebellum; and

(f) Only through time-intensive forensic analysis of blockchain records—requiring identification of corporate wallet addresses, tracing of token movements through multiple hoops, identification of exchange deposit addresses, and correlation with fundraising records—could the scheme be unraveled.

136. Wang first learned of reports of financial improprieties in January 2023. Wang immediately began demanding financial records and commenced

investigation. However, due to Fred's continued concealment and obstruction, the full scope of the scheme was not discovered until forensic analysis conducted throughout 2024 and into 2025.

137. Any statute of limitations applicable to Plaintiff's claims was tolled until the discovery of Defendants' wrongdoing through the forensic investigation concluded in 2025, and Plaintiff brings this action within a reasonable time after such discovery.

### **DERIVATIVE ACTION ALLEGATIONS**

138. Plaintiff brings this action derivatively on behalf of and for the benefit of Cerebellum to redress injuries suffered, and to be suffered, by the Company as a result of the breaches of fiduciary duty, waste, and other misconduct described herein.

139. Plaintiff is a current shareholder of Cerebellum and has been a shareholder continuously since January 2, 2019.

140. Plaintiff Wang acquired his shares in Cerebellum on or about January 2, 2019, as a co-founder and in consideration for his services to the Company.

141. Plaintiff Wang currently owns 18.8% of Cerebellum's outstanding common stock.

142. Plaintiff has not received, been promised, or offered, and will not accept, any form of compensation, directly or indirectly, for prosecuting or serving

as a representative party in this action, except for such fees or other payments, including attorney's fees, as the Court expressly approves to be paid to Plaintiff or on Plaintiff's behalf.

143. Plaintiff will fairly and adequately represent the interests of Cerebellum in enforcing and prosecuting its rights and have retained competent counsel experienced in derivative litigation.

**DEMAND ON THE BOARD IS EXCUSED AS FUTILE**

144. Plaintiff has not made a demand on Cerebellum's board of directors to assert the claims set forth herein. Such a demand would be futile because a majority of directors who would consider a demand are interested and/or lack independence.

145. Cerebellum's board of directors consists of Defendants Fred, Bao, and Granade.

146. A demand on Fred, Bao, and/or Granade to cause Cerebellum to sue themselves would be futile and is therefore excused.

147. Fred could not impartially consider a demand because he is the primary wrongdoer—he orchestrated and executed the breaches of fiduciary duty and misappropriation alleged in this Complaint, and therefore faces a substantial likelihood of liability.

148. Fred also could not impartially consider a demand because he received a material personal benefit from the conduct alleged in this complaint and that would

be subject of a demand. Among other things, Fred transferred Company assets to his personal wallets to use for personal expenses and investments, including Cere Tokens that were supposedly locked and Company funds, and also used misappropriated assets to fund his startup company, CEF AI. Fred has been personally enriched by misappropriated Company assets because he used them as a personal piggy bank.

149. Bao could not impartially consider a demand because he faces a substantial likelihood of liability for breach of fiduciary duty or, at minimum, aiding and abetting Fred's breaches of fiduciary duty. Bao, despite being a purported independent director and owing fiduciary duties to the Company and its shareholders, failed to exercise any oversight over, and turned a blind eye to, Fred and other Defendants' misconduct. Bao received information concerning Fred's wrongdoing and took no investigative or corrective actions. As such, he breached his fiduciary duties or aided and abetted Fred's breaches of fiduciary duty.

150. Granade could not impartially consider a demand because he faces a substantial likelihood of liability for breach of fiduciary duty or, at minimum, aiding and abetting Fred's breaches of fiduciary duty. Granade, despite being a purported independent director and owing fiduciary duties to the Company and its shareholders, failed to exercise any oversight over, and turned a blind eye to, Fred and other Defendants' misconduct. Granade received information concerning Fred's

wrongdoing and took no investigative or corrective actions. As such, he breached his fiduciary duties or aided and abetted Fred's breaches of fiduciary duty.

151. Because demand on Fred, Bao, and Granade would be futile, demand is excused.

**COUNT I**  
**BREACH OF FIDUCIARY DUTY**  
**(Derivatively on behalf of Cerebellum against Defendants Fred Jin, Martijn Broersma, Brad Bao, Xin Jin, and Francois Granade)**

152. Plaintiff realleges and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.

153. Defendant Fred Jin has been a Cerebellum director and its Chief Executive Officer since the Company's incorporation on January 2, 2019. In these roles, Fred owes, and at all relevant times has owed, Cerebellum and its shareholders fiduciary duties of loyalty, due care, good faith, and candor.

154. Defendant Martijn Broersma is an officer of Cerebellum, as he has been Cerebellum's Chief Marketing Officer since its inception. In this role, Broersma owes, and at all relevant times has owed, Cerebellum and its shareholders fiduciary duties of loyalty, due care, good faith, and candor.

155. Defendant Brad Bao is a member of Cerebellum's board and served as an advisor to the Company. Bao exercised significant control over corporate decisions. As a director, Bao owed, and at all relevant times has owed, Cerebellum and its shareholders fiduciary duties of loyalty, due care, good faith, and candor.



156. Defendant Francois Granade has served as a member of the Company's board of directors. In this role, Granade owed, and at all relevant times has owed, Cerebellum and its shareholders fiduciary duties of loyalty, due care, good faith, and candor.

157. Defendant Xin Jin has at all relevant times been the Chief Operating Officer of Cerebellum. Upon information and belief, in this role, Xin was an officer of the Company, and as such Xin owed, and at all relevant times has owed, Cerebellum and its shareholders fiduciary duties of loyalty, due care, good faith, and candor.

158. The duty of loyalty requires directors and officers to act in good faith and in the best interests of the corporation and its shareholders, and prohibits self-dealing, usurpation of corporate opportunities, and use of corporate assets for personal benefit.

159. The duty of care requires directors and officers to exercise the care that a reasonably prudent person would exercise in similar circumstances, including the duty to be reasonably informed and to oversee corporate affairs.

160. Directors and officers must act in good faith when managing corporate affairs. Acting in bad faith includes intentional dereliction of duty, conscious disregard of responsibilities, and intentional violations of law.

161. Fred, Broersma, Granade, Xin, and Bao breached their fiduciary duties through the following conduct, among others:

(a) Self-Dealing and Misappropriation: causing approximately \$41.78 million in corporate assets (Cere Tokens) to be transferred from Cerebellum's treasury to personal exchange accounts controlled by Fred, his wife, and his defendant brother, and sold those tokens for personal profit in direct violation of his public promises that insider tokens were locked and subject to vesting schedules.

(b) Misappropriation of Investor Funds: diverting \$16.6 million from Cerebellum's Regulation D fundraising wallet into undisclosed personal wallets and used those corporate funds for unauthorized personal trading, resulting in approximately \$9.78 million in losses.

(c) Systematic Looting: systematically transferring corporate funds from at least five additional corporate cryptocurrency wallets (12E, 28a, 037, 376, and cD2 accounts) totaling at least \$13.58 million into personal accounts.

(d) Use of Corporate Assets for Personal Trading: using misappropriated corporate funds totaling tens of millions of dollars for high-risk personal cryptocurrency speculation, causing catastrophic losses including approximately \$6.51 million in Mochi Protocol, \$345,000 in Neutrino USDN, \$3.27 million in CVX/ETH pools, and \$780,000 in Maple Finance.

(e) Installation of Family Members: Fred installed his wife Schwarzer and brother Xin as signatories on corporate cryptocurrency wallets, enabling them to participate in the misappropriation scheme and giving his family control over 94.5% of corporate cryptocurrency assets.

(f) Market Manipulation for Personal Profit: Fred and Broersma engaged Gotbit to conduct wash trading and market manipulation to prop up the Cere Token price while Fred secretly sold his holdings, enabling him to extract maximum proceeds from his misappropriation.

(g) False Representations to Facilitate Misappropriation: Fred and Broersma knowingly made false public statements about Fortune 500 clients, revenue, insider token lock-ups, and multi-signature wallet controls specifically to maintain investor confidence and token price while Fred looted corporate assets.

(h) Diversion of Funds to Personal Ventures: Upon information and belief, diverting misappropriated Cerebellum funds to his new personal startup, CEF AI Inc.

(i) Intentionally concealing misconduct through fabricated financial records, refusing to provide accurate accounting, and obstructing shareholder inspection demands;

(j) Intentionally destroying corporate value by dumping tokens in violation of promised vesting schedules, causing the token price to collapse 99.7%;

(k) Threatening and intimidating employees and investors who raised concerns about financial improprieties;

(l) Failure to Prevent or Disclose: Bao, as a purported independent board member and advisor, failed to prevent Fred's self-dealing despite having a duty to exercise oversight, and failed to disclose Fred's misconduct to shareholders despite obtaining insider knowledge of financial improprieties.

(m) Failure to Implement Financial Controls: failing to implement any adequate financial controls, accounting systems, or audit procedures for 86% of Cerebellum's transactions (the cryptocurrency ledger), enabling systematic misappropriation to occur undetected.

(n) Failure to Maintain Accurate Records: failing to maintain accurate financial records, creating fabricated records with impossible figures (e.g., exactly \$200,000 in annual payroll, exactly \$500,000 in annual payroll).

(o) Failure to Prepare Financial Statements: failing to prepare or provide any audited financial statements from Cerebellum's inception through at least mid-2023, depriving shareholders of information necessary to monitor corporate affairs.

(p) Failure to Implement Independent Oversight: failing to elect any independent directors, independent financial officers, or external auditors, instead maintaining control over all governance and financial functions.

(q) Failure to Implement Multi-Signature Controls: Despite representing that corporate cryptocurrency assets were held in multi-signature wallets with appropriate controls, maintaining sole signatory authority over wallets holding 52.3% of corporate assets, enabling Fred to unilaterally transfer tens of millions of dollars without authorization.

(r) Failure to Segregate Corporate and Personal Assets: commingling corporate assets with personal assets by transferring corporate funds into personal wallets and using those funds for personal trading.

(s) Reckless Speculation with Corporate Funds: recklessly investing misappropriated corporate funds in highly speculative and volatile cryptocurrency investments without any risk analysis or authorization, causing approximately \$9.78 million in losses.

(t) Failure to File Tax Returns: failing to ensure that Cerebellum filed federal income tax returns from 2018 through at least 2023.

(u) Failure to Safeguard Corporate Assets: failing to implement adequate security measures to safeguard corporate cryptocurrency assets, instead concentrating control in Fred and his family members and insiders.

(v) Failure to Investigate or Remedy: After being notified of financial improprieties in January 2023, failing to conduct any investigation or take

any remedial action, instead presenting fabricated records and making false accusations against those who raised concerns.

162. Fred's breaches of fiduciary duty of loyalty were grossly negligent, intentional, knowing, and/or undertaken in bad faith. Fred knowingly placed his personal interests above Cerebellum's interests and deliberately harmed the Company and its shareholders to enrich himself.

163. Broersma's breaches of fiduciary duty were grossly negligent, intentional, knowing, and/or undertaken in bad faith. Broersma knowingly facilitated Fred's self-dealing through false public statements and market manipulation arrangements.

164. Bao's breaches of fiduciary duty were at minimum grossly negligent and constituted a conscious disregard of his oversight obligations. Bao knew or should have known that Fred was engaged in self-dealing but failed to take any action to prevent or disclose the misconduct.

165. As a direct and proximate result of Fred's, Broersma's, and Bao's breaches of fiduciary duty, Cerebellum has suffered damages including:

- a. Loss of at least \$41.78 million in corporate assets through the secret token sales;
- b. Loss of at least \$16.6 million in corporate assets through the RegD Wallet misappropriation;

- c. Loss of at least \$13.58 million in corporate assets through the systematic looting of additional corporate wallets;
- d. Approximately \$10.9 million in trading losses caused by Fred's reckless speculation with misappropriated funds;
- e. Destruction of the value of Cerebellum's treasury holdings of Cere Tokens, which declined 99.7% due to Fred's dumping and the resulting reputational damage;
- f. Loss of business relationships, partnerships, and commercial opportunities due to the collapse of the Cere Token and the reputational harm from the fraud;
- g. Costs of investigating the misconduct;
- h. Attorney's fees and costs of this litigation; and
- i. Such other damages as may be proven at trial.

166. Cerebellum is entitled to an award of damages against Fred, Broersma, Xin, Granade, and Bao, jointly and severally, in an amount to be proven at trial but not less than \$58 million, plus pre-judgment and post-judgment interest, costs, and attorney's fees.

**COUNT II**  
**AIDING AND ABETTING BREACH OF FIDUCIARY DUTY**  
**(Cerebellum derivatively against Defendant Maren Schwarzer)**

167. Plaintiff realleges and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.

168. Defendant Fred owed and breached fiduciary duties to Cerebellum and its shareholders as alleged in Count I.

169. Schwarzer had actual knowledge of Fred's fiduciary duties to Cerebellum and knew that Fred's conduct constituted breaches of those duties.

170. Schwarzer provided substantial assistance to Fred's breaches by:

(a) Serving as sole director of shell entity BNW Network, which received and held misappropriated corporate funds;

(b) Opening personal bank and cryptocurrency exchange accounts to receive, hold, and launder misappropriated corporate assets;

(c) Creating and issuing backdated invoices for sham services to justify fraudulent transfers;

(d) Serving as a signatory on Cere Network token treasuries and signing off on illicit transactions totaling at least \$58.38 million;

(e) Working with Xin to route investor funds through shell entities to conceal their origin and destination;



(f) Receiving misappropriated corporate funds into personal accounts and using those funds for personal expenditures and asset acquisitions; and

(g) Refusing to disclose the disposition of corporate funds or provide accurate accounting despite demands from shareholders.

171. Schwarzer's substantial assistance was a proximate cause of the damages to Cerebellum described in Count I.

172. Cerebellum is entitled to an award of damages against Schwarzer, jointly and severally with the other Defendants, in an amount exceeding \$58 million, plus pre-judgment and post-judgment interest, costs, and attorney's fees.

**COUNT III**  
**WASTE OF CORPORATE ASSETS**  
**(Derivatively against Defendants Fred Jin, Martijn Broersma,**  
**Xin Jin, Francois Granade, and Brad Bao)**

173. Plaintiff realleges and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.

174. Fred, Broersma, Xin, Granade, and Bao are liable for waste of Cerebellum's corporate assets through the following transactions, among others:

(a) Payment to Gotbit for Market Manipulation: Upon information and belief, Fred and Broersma caused Cerebellum to pay substantial fees to Gotbit Limited for wash trading and market manipulation services. These payments provided no legitimate corporate benefit; instead, they facilitated Fred's misappropriation of corporate assets and destroyed the value of Cerebellum's token

holdings. The consideration received (market manipulation services used to facilitate fraud) was so disproportionately small compared to the fees paid that no person of ordinary sound business judgment could view it as fair.

(b) Monthly Payments to Fred and Schwarzer: Fred caused Cerebellum to make monthly payments of at least \$6,000 to himself and at least \$2,500 to his wife Schwarzer through German entity BNW Network (funded by Cerebellum) without any legitimate business justification. These payments were so one-sided that no person acting in good faith pursuit of the Company's interests could have approved them.

(c) Reckless Speculation Causing \$9.78 Million in Losses: Fred caused Cerebellum to "invest" at least \$16.6 million in misappropriated corporate funds in highly speculative, high-risk cryptocurrency investments without authorization, due diligence, or risk management, resulting in approximately \$9.78 million in realized losses. The decision to gamble corporate funds in volatile DeFi protocols and collapsed stablecoins was so irrational that no person of ordinary sound business judgment could view it as a reasonable business decision.

(d) Transfers to Shell Entities: Fred caused Cerebellum to transfer millions of dollars to shell entities including Interdata, BNW Network, and CEF AI without receiving adequate consideration or legitimate business justification.

(e) **Diversion of Funds for Personal Benefit:** Upon information and belief, Fred caused corporate funds to be diverted for personal expenditures and asset acquisitions for the personal benefit of himself and Schwarzer, with no consideration or benefit flowing to Cerebellum.

175. As a direct and proximate result of this corporate waste, Cerebellum suffered substantial damages including the loss of millions of dollars in fees, monthly payments, and trading losses, as well as the destruction of the value of corporate token holdings.

176. Cerebellum is entitled to an award of damages against Fred, Xin, Granade, Broersma, and Bao, jointly and severally, plus pre-judgment and post-judgment interest, costs, and attorney's fees.

**COUNT IV**  
**UNJUST ENRICHMENT**  
**(Cerebellum against All Defendants)**

177. Plaintiff realleges and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.

178. By their wrongful acts and breaches of fiduciary duty alleged herein, Defendants were unjustly enriched at the expense of, and to the detriment of, Cerebellum.

179. Defendants each derived profits, benefits, compensation, or other value from Cerebellum through the wrongful conduct alleged herein, including:

(a) **Fred Jin:** Received at least \$57 million in misappropriated corporate assets through secret token sales, from the RegD Wallet, and looting of corporate wallets; used corporate funds for personal trading; diverted corporate funds to personal startup CEF AI; and received monthly payments without legitimate justification.

(b) **Maren Schwarzer:** Received misappropriated corporate funds into personal accounts; used misappropriated funds for personal expenditures and asset acquisitions; and received monthly payments of at least \$2,500 without legitimate justification.

(c) **Xin Jin:** Received substantial proceeds from the fraudulent scheme by operating personal exchange accounts and facilitating token sales; received portions of the approximately \$41.78 million in token sale proceeds.

(d) **Martijn Broersma:** Received compensation as CMO while knowingly facilitating Fred's fraud through false representations and market manipulation; signed off on illicit transactions involving at least \$53.78 million in corporate assets.

(e) **Brad Bao:** Received director's fees and early investor token allocations while failing to exercise oversight and turning a blind eye to Fred's misappropriation of corporate assets.

(f) **Francois Granade:** Received compensation and other financial benefits for serving on the board while failing to exercise oversight and turning a blind eye to Fred's misappropriation of corporate assets.

180. It would be unconscionable and against fundamental principles of justice, equity, and good conscience for the Individual Defendants to retain the profits, benefits, compensation, and other value gained from their wrongful conduct and breaches of fiduciary duty.

181. Cerebellum has no adequate remedy at law for the unjust enrichment of Defendants.

182. Cerebellum is entitled to disgorgement and restitution of all profits, benefits, compensation, and value obtained by Defendants through their wrongful conduct, plus pre-judgment and post-judgment interest, costs, and attorney's fees.

**COUNT V**  
**CONVERSION**  
**(Cerebellum derivatively against Defendants Fred Jin, Maren Schwarzer, and Xin Jin)**

183. Plaintiff realleges and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.

184. Cerebellum owned and had possessory rights to at least \$57 million in cryptocurrency assets, including:

(a) Approximately \$41.78 million in Cere Tokens held in the Treasury Address;

(b) Approximately \$16.6 million in USDC held in the RegD Wallet;  
and

(c) At least \$13.58 million in cryptocurrency held in the 12E, 28a, 037, 376, and cD2 corporate wallets.

185. Fred Jin, Maren Schwarzer, and Xin Jin intentionally and without authorization exercised dominion and control over these corporate assets in a manner inconsistent with Cerebellum's ownership rights.

186. Specifically, Fred, aided by Schwarzer and Xin, caused these corporate assets to be transferred from corporate wallets to personal wallets and exchange accounts, sold or converted the assets, and appropriated the proceeds for personal use, all without authorization from Cerebellum.

187. Fred, Schwarzer, and Xin's unauthorized exercise of dominion and control over Cerebellum's cryptocurrency assets deprived Cerebellum of possession and use of those assets.

188. Fred, Schwarzer, and Xin acted intentionally, knowingly, and in bad faith when converting Cerebellum's assets.

189. As a direct and proximate result of Fred Jin's, Schwarzer's, and Xin Jin's conversion, Cerebellum suffered damages in an amount to be proven at trial but not less than \$57 million.

190. Cerebellum is entitled to compensatory damages, punitive damages, pre-judgment and post-judgment interest, costs, and attorney's fees.

**COUNT VI**  
**DECLARATORY RELIEF**  
**(Wang directly against Nominal Defendant Cerebellum Network Inc.)**

191. Wang realleges and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.

192. An actual controversy has arisen between Wang and nominal defendant Cerebellum concerning Wang's status as a shareholder of Cerebellum.

193. In communications through counsel Charles Michael of Steptoe & Johnson, Cerebellum (acting through Fred Jin) has claimed that Wang's equity interest in Cerebellum "has been terminated" and that Wang is not a stockholder of the Company.

194. Wang denies these contentions and maintains that Wang is, and at all times since January 2, 2019, has been, a valid stockholder of Cerebellum, currently owning 18.8% of the Company's outstanding common stock.

195. Wang's ownership of 18.8% of Cerebellum's common stock was confirmed by Cerebellum, Fred Jin, and Wang in a term sheet dated September 7, 2022, and further confirmed on March 3, 2023. Cerebellum effectuated a buyback of 1% of Wang's stock for \$250,000 in March 2023, which constituted Cerebellum's recognition of Wang's shareholder status.

196. There is no valid basis for termination of Wang's equity interest. Any purported "termination" was undertaken by Fred without authority and in retaliation for Wang's investigation of Fred's misconduct.

197. A judicial determination and declaration of Wang's rights is appropriate and necessary at this time so that Wang may protect his shareholder interests and prevent further devaluation of Cerebellum through Fred's continued wrongful conduct.

198. Wang is entitled to a declaration that Wang is, and at all times since January 2, 2019, has been, a valid stockholder of Cerebellum Network Inc., currently owning 18.8% of the Company's outstanding common stock.

### **PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff Ken Wang, directly and derivatively on behalf of nominal defendant Cerebellum Network Inc., respectfully requests that this Court enter judgment as follows:

A. Declaring that Wang is, and at all times since January 1, 2019 has been, a valid stockholder of Cerebellum Network Inc., currently owning 18.8% of the Company's outstanding common stock;

B. Entering judgment in favor of Cerebellum and against Defendants Fred, Broersma, Xin, Granade, and Bao for breach of fiduciary duties to Cerebellum;



C. Entering judgment in favor of Cerebellum and against Defendant Schwarzer for aiding and abetting Fred Jin's breaches of fiduciary duty;

D. Entering judgment in favor of Cerebellum and against all Defendants for waste of corporate assets;

E. Entering judgment in favor of Cerebellum and against Defendants for unjust enrichment;

F. Entering judgment in favor of Cerebellum and against Defendants Fred Jin, Schwarzer, and Xin Jin for conversion of Cerebellum's corporate assets;

G. Awarding Cerebellum compensatory damages against the Defendants, jointly and severally, in an amount exceeding \$58 million, to be proven at trial;

H. Imposing a constructive trust over any assets or property obtained by Defendants through misappropriation of Cerebellum's corporate assets, including but not limited to personal expenditures and asset acquisitions, assets of CEF AI Inc., and any other assets purchased with misappropriated corporate funds;

I. Ordering Defendants to provide a complete and accurate accounting of all corporate transactions, assets, and liabilities from January 1, 2019 through the present, including full disclosure of:

- i. All cryptocurrency transactions involving Cerebellum's assets;
- ii. All transfers of \$CERE tokens from corporate treasuries;
- iii. All transfers from corporate cryptocurrency wallets;

- iv. The current location and beneficial ownership of all misappropriated assets;
  - v. All payments to the Defendants and their family members; and
  - vi. Complete and accurate financial statements;
- J. Ordering disgorgement of all distributions, salary payments, profits, benefits, and other compensation obtained by Defendants as a result of their wrongful conduct;
- K. Appointing a receiver *pendente lite* over Cerebellum to:
- i. Protect and preserve corporate assets pending litigation;
  - ii. Take custody and control of corporate cryptocurrency wallets and bank accounts;
  - iii. Conduct a forensic accounting of corporate transactions;
  - iv. Prevent further misappropriation or waste; and
  - v. Manage corporate affairs during the pendency of this action;
- L. Awarding Cerebellum pre-judgment and post-judgment interest at the maximum rate permitted by law;
- M. Awarding Plaintiff the costs of this action, including reasonable attorney's fees and expenses, pursuant to the common fund doctrine;
- N. Directing that any recovery obtained in this action on behalf of Cerebellum be paid to Cerebellum for the benefit of all shareholders; and

O. Granting such other and further relief as the Court deems just and proper.

**COLE SCHOTZ P.C.**

/s/ Andrew L. Cole

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Dated: January 13, 2026