

0x5d95baEBB8412AD827287240A5c281E3bB30d27E
(hereafter "0x5d95...d27E")

January 17, 2023

0xDBE76F6ae97dFD5bdd1D7DAD8972740d18aB2b57
(hereafter "0xDBE7...2b57")

Re: Response to 0XDBE7...2B57 1/6/23 email, subject 'Some Important Notes'

Dear 0xDBE7...2b57,

I found your email on 1/6/23 with the subject "Some important notes." (See 1/6/2023 redacted email¹) Each of your claims were unsupported by any documentation I was able to surface. I will address each numbered point in turn.

The communications cited below were extracted from communications where I was cc'd or forwarded the cited documents and not as part of any association with the Service Provider, that is to say nothing below is considered attorney-client-privilege. Nonetheless, in order to maintain privacy by the various parties, I have referenced individuals by their Ethereum addresses.

1. The claim that "I falsely represented to the community that 0X550B...D410 approved a proposal that he explicitly rejects"; appears to refer to the Utilization section of MIP-0011 stating,

"The Authorized Members benreed.eth and [0X550B...D410] have reviewed the relevant information and confirmed that this proposal accords with the DAO's agreement with the Service Provider, dao-lawfirm.eth."

This issue regarding paying the law firm was also raised in your prior emails on 1/3/23 subject 'Treasury Vote'², in which you further stated,

"We've reviewed the evidence you provided [0x550b...d410] over your recent call. We see no evidence substantiating these fees and remain firm in our decision to reject them."

Each of you [0X746C...B498, 0X550B...D410, 0XDBE7...2B57] received and agreed to the terms and costs of the deferred legal expenses as well as the treasury service provider fees; you were frequently updated with the deferred fee balance as they were summarized in each invoice. There is written communication evidencing this between the law firm and each of you [0X746C...B498, 0X550B...D410, 0XDBE7...2B57] and others on this specific subject on 8/1/2021, 9/16/2021, 9/23/2021, 12/23/2021, 12/24/2021, 1/17/2022, 4/8/2022 and each monthly invoice between 9/2021-4/2022 (8).

The law firm was engaged by Entity-1³, Entity-2, and each of you [0X746C...B498, 0X550B...D410, 0XDBE7...2B57] personally in which each engagement agreement contained the deferred (below labelled **Deferred Fees**) or service provider fee language (below labelled **Service Provider Fees**) as well as each monthly invoice stating any deferred totals. While 0X550B...D410 at times represented individuals or entities, and was frequently the point of contact, 0X746C...B498 also corresponded with the firm directly. **For example, on 1/16/2021, 0X746C...B498, 0X550B...D410, and you received one such detailed engagement agreement, which contained the following language:**

Deferred fees:

	Individual	Role	Hourly rate	Deferred Percentage	Deferred rate
1.	R. Y.	Attorney	\$500.00	35%	\$325.00

¹ <https://cloudflare-ipfs.com/ipfs/QmdQSKH4UEthwHBLhpSw5qYWAYVGpbGDs4bcia8Z4rPQBx>

² <https://cloudflare-ipfs.com/ipfs/QmRzGTNPaa5LsSixU9g6Kj8e7Gq7KP1LTZ8m9eXVBSbChQ>

³ Each entity's name was redacted for privacy purposes.

2.	S. H. ⁴	Attorney	\$400.00	35%	\$260.00
3.	M. W.	Paralegal	\$350.00	35%	\$227.50
4.	K. S.	Paralegal	\$200.00	35%	\$130.00

“Deferred Fees and Future Tokens. The Firm is willing to defer a percentage of the fees owed for its services to be compensated in the form of an anticipated future token offering. At the Client’s election, the Firm will enter into an agreement to accept a percentage of its fees and reduce the amount of its fees to be deducted from any retainer held by the Firm or billed to the Client by 1/3. The reduction of 1/3 of the Firm’s billing will then be kept on a separate ledger and the value of that ledger will be compensated by the equivalent value of future tokens.” (See Ex Engagement Agreement Example⁵)

Service Provider fees:

0X746C...B498, 0X550B...D410, and you [0XDBE7...2B57] engaged the law firm by way of the Custodial Engagement agreement on 1/24/2021; the Service Provider fee schedule and accompanying language:

Year	Service Provider Annual Fee		
	\$1 - \$9,999,999*	\$10m to 49,999,999	\$50m+
1	3%	2.5%	2%
2	2.472%	2.108%	1.6807%
3	2.108%	1.6807%	1.375%
4	1.6807%	1.375%	1.0610%
5+	1.375%	1.06120%	0.7491%

* \$1,000,000.00 is the minimum investment necessary to participate in the Custodial Trust program.

Biller	Role	Hourly Rate
R. Y.	Attorney	\$500.00
M. W.	Paralegal	\$375.00
K. S.	Paralegal	\$200.00
M. P.	Computer/security consultant	\$400.00

“The Firm will charge the first quarter’s, annual service fee (25% of yearly fee) upon deposit and initiation of the Trust which will cover all fees and costs to set up the trust except for the surcharge fee listed below. Thereafter, all service fees to the Firm are payable on a quarterly basis and will begin to accrue once the Trust is established. Trustees have the right to terminate the services of the Firm at any time.

The Firm charges a surcharge fee of 0.025% (one quarter of one percent) of any transaction to convert or liquidate any crypto currency. This surcharge is waived if the liquidation is used to pay the Firm’s quarterly fees.” (See Ex Custodial Engagement Example Agreement⁶)

Additionally, each subsequent invoice from the law firm, such as the last one provided to 0X550B...D410 on 1/8/2022, included a detailed breakdown of total hours spent over the period, any outside expenses, coding by individuals, the sub-total and the deferred amount. In addition to the deferred amount for each invoice period, a summary of the total deferred fees per month was also included. The aforementioned invoice provided on 1/8/2022, summarized each monthly period from 9/2021 through 9/2022. As of the last aforementioned invoice period, the law firm had previously provided eight (8) monthly invoices.

Unsurprisingly, a cursory search of prior communications, between the law firm and each of you (setting aside 0X746C...B498 and 0X550B...D410 acting as your agent), evidenced support for both deferred and the

⁴ Each employee or consultant was removed for privacy purposes.

⁵ <https://cloudflare-ipfs.com/ipfs/QmVWjmE6JUbeeiFJFH37aEov1zDm5wCxbgRSJ1vWbcqANW>

⁶ <https://cloudflare-ipfs.com/ipfs/QmNv58bG2LAaq1TFgvtFhCwuHtBafHBAYVUYE7L3UD6pDt>

custodial fees;; in the event you [0XDBE7...2B57] seek specific communique between you and the law firm, such exists on 1/17/2021, and 1/23/2021, and 0X746C...B498 and 0X550B...D410 each reviewed and performed on the above agreement on twelve (12) separate occasions, setting aside the countersigned documents themselves.

2. "You have not notified the community about the limited-time offer to reimburse everyone 1:1 through the end of January, in conjunction with project shutdown, after multiple requests to do so."

In response to 0X746C...B498's previous requests for "some liquidity" (setting aside his 1/13/2022, "like to talk about the founder agreement and holding strong to what was promised"), and your 1/30/2022, email,

"Effective immediately, [0x746c...b498] [0x550b...d410] and [0xdbE7...2b57] I vote to stop all spend out of the Move treasury. ¶ We are happy to approve payment of your [0x5d95...d27E] and [0x550b...d410]'s salaries through January 31st. We will also consider any bare minimum necessary legal spend for the month of January."

I prepared a lengthy memo of a large number of non-trivial concerns regarding your requests. (See various Liquidity Memo + Exhibits⁷)

3. "[Y]ou have spent a large portion of your time and paid hours producing proposals and modifying historical docs to get you, the law firm, and other service providers paid more."
 - a. There does not exist any documents, proposals, otherwise which seek to pay [anyone] "more"; any modified online documents only seek to clarify or address typos;
 - b. Your claim regarding my spending "large portion of time" of "paid hours producing proposals" conflicts with your numbered list item 7;
 - c. Your key claim is false; I do not spend a large portion of my time with proposals or editing documents. As you pointed out in your 1/6/2023 email, I am not being paid.
4. This claim requires no response, except that there exists no agreement that I am the manager of anyone's keys.
5. "Several of your questionnaire questions seem explicitly designed to prevent progress of any redemptions being made."
 - a. I did not author the questionnaire or the workflow; just provided the instructions to present these topics to the community plainly and transparently;
 - b. If you have language, you object to, please be specific, I would be happy to review them in light of our objectives.
6. It is not possible to change "historical GitBook". Any language, if any, has been to be clear, fix typos and improve comprehension; again, if you have specific edits, or if you object to or can recommend an edit in response to any of your objections, please be specific.
7. The remaining claims were addressed in my prior responses.

Finally, your closing statement,

"Many of these actions appear to be outright fraud to the three of us. We recommend a swift 180."

As I have shared multiple times, I have heard your culminative requests (both 0X746C...B498 and each 0XDBE7...2B57) and, as I stated numerous times. Movement needs to seek legal advice so that we can do what is right for all members of the community. I find that your increased histrionics, the above spurious allegations, specious 'ad hominin' attacks and factitious "important notes" super unproductive.

Very Truly Yours,

0x5d95baEBB8412AD827287240A5c281E3bB30d27E
("0x5d95...d27E")

⁷ See memos dated 10/2/2022, 1/3/2023

cc:

0x746cf650d4E5431474E8D4E2d5B6Bbe53772b498 ("0x746c...b498")
0x550bD0F03580B9a687931af4d837F8e45D61d410 ("0x550b...d410")