

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT
AUDET, et al. v. FRASER, et al.
No. 3:16-cv-00940 (MPS)

NOTICE OF CLASS ACTION SETTLEMENT

If you purchased certain products from GAW Miners or ZenMiner between August 1, 2014 and January 19, 2015, your rights may be affected by a class action settlement.

A Connecticut Federal Court authorized this Notice. This is not a solicitation from a lawyer.

- To:** All persons or entities who, between August 1, 2014 and January 19, 2015, (1) purchased Hashlets, Hashpoints, HashStakers, or Paycoin from GAW Miners, LLC and/or ZenMiner, LLC; or (2) acquired Hashlets, Hashpoints, HashStakers, or Paycoin from GAW Miners, LLC and/or ZenMiner, LLC, by converting, upgrading, or exchanging other products sold by GAW Miners, LLC and/or ZenMiner, LLC.
- A proposed settlement has been reached in a class action lawsuit called *Denis Marc Audet et al. v. Stuart Fraser et al.*, Case No. 3:16-CV-00940 (MPS) (the “Settlement”).
 - The lawsuit alleges that GAW Miners and ZenMiner (the “Companies”) made false and misleading statements to potential investors about defendants’ virtual currency mining operations. Plaintiffs allege that the Companies sold a progressive array of products and investment contracts to investors that they claimed would yield profits from mining or otherwise investing in virtual currency. Plaintiffs allege that, because the Companies sold far more computing power than they owned and dedicated to virtual currency mining, the Companies owed investors a return larger than any actual return the Companies were making on their limited mining operations. Plaintiffs allege that Mr. Fraser materially assisted the Companies and exercised control over them such that he is liable for any injuries caused by the misconduct allegedly perpetrated by the Companies described above. Mr. Fraser denies all allegations against him; however, both sides have agreed to the Settlement to avoid the cost of further litigation.
 - If the Court approves the Settlement, Mr. Fraser will fund a cash settlement fund of \$3,500,000. Settlement Class Members will be eligible to receive payment from that cash fund, as further detailed in Questions 8-11.
 - Your legal rights are affected whether or not you act. ***Please read this notice carefully.***

YOUR LEGAL RIGHTS AND OPTIONS		
SUBMIT A CLAIM	<ul style="list-style-type: none"> • Get certain benefits from the Settlement • Be bound by the Settlement • Give up any right to pursue a lawsuit against Stuart Fraser concerning or relating to the claims alleged in this case 	Filed by July 14, 2023
DO NOTHING	<ul style="list-style-type: none"> • Be bound by the Settlement • Give up any right to pursue a lawsuit against Stuart Fraser concerning or relating to the claims alleged in this case 	
OBJECT	<ul style="list-style-type: none"> • Tell the court what you do not like about the Settlement — you will still be bound by the Settlement 	Filed and served by May 25, 2023

- These rights and options—**and the deadlines to exercise them**—are explained in this notice. The deadlines may be moved, cancelled, or otherwise modified, so please check the Class Website, www.GAWMinersClassAction.com, regularly for updates and further details.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

WHAT THIS NOTICE CONTAINS

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BASIC INFORMATION

1. Why is there a notice?

You have a right to know about a proposed settlement of a class action lawsuit, and about your rights and options, before the Court decides whether to approve the Settlement.

The Court in charge of this case is the United States District Court for the District of Connecticut (the “Court”), and the case is called *Denis Marc Audet et al. v. Stuart Fraser et al.*, Case No. 3:16-CV-00940 (MPS) (the “Action”). The individuals who sued on behalf of the Class include Plaintiffs Denis Marc Audet, D. Allen Shinnners, and Michael Pfeiffer. The person they sued, Stuart Fraser, is called the Defendant.

2. What is this lawsuit about?

The lawsuit alleges that GAW Miners and ZenMiner (the “Companies”) made false and misleading statements to potential investors about defendants’ virtual currency mining operations. Plaintiffs allege that the Companies sold a progressive array of products and investment contracts to investors that they claimed would yield profits from mining or otherwise investing in virtual currency. Plaintiffs allege that, because the Companies sold far more computing power than they owned and dedicated to virtual currency mining, the Companies owed investors a return larger than any actual return the Companies were making on their limited mining operations. Plaintiffs allege that Mr. Fraser materially assisted the Companies and exercised control over them such that he is liable for any injuries caused by the misconduct allegedly perpetrated by the Companies described above. Mr. Fraser denies all allegations against him; however, both sides have agreed to the Settlement to avoid the cost of further litigation.

3. Why is this a class action?

In a class action, one or more people called Class Representatives sue on behalf of people who have similar claims. All these people are a class or class members. Bringing a case, such as this one, as a class action allows resolution of many similar claims of persons and entities that might be economically too small to bring in individual actions. One court resolves the issues for all class members, except for those who exclude themselves from the class.

4. Why is there a Settlement?

Mr. Fraser denies that he did anything wrong. However, both sides, after many years of litigating the case (including a full trial before a jury), have agreed to the Settlement. Both sides want to avoid the cost and risk of further litigation. The Court has not decided in favor of the Plaintiffs or Mr. Fraser. Plaintiffs and their attorneys think the Settlement is in the best interests of the Settlement Class and is fair, reasonable, and adequate.

WHO IS IN THE SETTLEMENT?

5. Am I part of the Settlement?

The Settlement Class consists of all persons and entities who, between August 1, 2014 and January 19, 2015, (1) purchased Hashlets, Hashpoints, HashStakers, or Paycoin from GAW Miners, LLC and/or ZenMiner, LLC; or (2) acquired Hashlets, Hashpoints, HashStakers, or Paycoin from GAW Miners, LLC and/or ZenMiner, LLC, by converting, upgrading, or exchanging other products sold by GAW Miners, LLC and/or ZenMiner, LLC.

The Settlement Class **excludes** any person or entity who timely filed a request for exclusion from the Class after the Court certified the lawsuit to proceed as a class action; any defendants; any parent, subsidiary, affiliate, or employee of any defendant; any co-conspirator; and any governmental agency.

6. What if I am still not sure if I am included in the Settlement?

If you are not sure whether you are a Settlement Class Member, or have any other questions about the Settlement, you should visit the Class Website, www.GAWMinersClassAction.com, or call the Settlement Administrator toll-free at 1-855-964-0522.

7. Can I remove myself from the Settlement and sue Mr. Fraser?

If you filed a timely request for exclusion from the Class after the Court certified the lawsuit to proceed as a class action and Counsel issued notice of the Class Action, you are not part of the Settlement. Otherwise, you may not remove yourself from the Class at this point.

SETTLEMENT BENEFITS – WHAT SETTLEMENT CLASS MEMBERS GET

8. What does the Settlement provide?

The Settlement provides monetary compensation to Settlement Class Members. Mr. Fraser will fund \$3,500,000 to be distributed to Settlement Class Members (the “Settlement Fund”).

If you are a Settlement Class Member and you submit a valid and complete claim form for your claim, you may be entitled to receive a *pro rata* share of the Settlement Fund, after certain expenses have been deducted. Before being used to pay any Settlement Class Members, the Settlement Fund will first be used to pay: (1) all settlement administration expenses (excluding certain publication notice expenses); (2) any “Incentive Awards,” which are awards to compensate the named Plaintiffs for efforts they took on behalf of the entire Settlement Class in the litigation; and (3) any Class Counsel’s fees (which will not exceed one-third of the Settlement Fund) and expenses.

The remainder of the Settlement Fund (the “Net Settlement Fund”) will be used to pay the Settlement Class Members on a *pro rata* basis, based on each Settlement Class Member’s claim. A claimant’s *pro rata* share will be calculated as follows. First, your “stake” would be calculated by adding the amount you paid to GAW for the four Qualifying Products listed above (Hashlets, Hashpoints, HashStakers, or Paycoin) to the value of any Hashpoints you obtained through Hashpoint mining (valued at \$0.01 per Hashpoint), then subtracting any value you received from GAW (e.g., in the form of Hashlet payouts) and any value you received from selling the Qualifying Products. Next, your stake would be divided by the combined total stakes of each claimant who submits a claim. Finally, the resulting percentage would be multiplied by the Net Settlement Fund to calculate your share of the Net Settlement Fund. However, a person whose share of the Net Settlement would be less than \$10 will not receive a share of the Settlement.

More details are in documents called the Settlement Agreement and Plan of Distribution, which is available at www.GAWMinersClassAction.com.

HOW TO GET A PAYMENT

9. How can I get a payment?

In order to participate in the proposed settlement and receive a payment if you are eligible for payment, you must submit a claim form. The claim form informs Settlement Class Counsel that you wish to participate in the proposed settlement. Settlement Class Members will receive an email with a link to the claim form. The claim form is also available at www.GAWMinersClassAction.com.

10. When would I get my payment?

Payments will be transmitted to Settlement Class Members after the Court grants “final approval” to the Settlement and after all appeals are resolved. If the Court approves the Settlement, there may be appeals. It’s always uncertain whether these appeals can be resolved and resolving them can take time. Please be patient.

11. What am I giving up to get a payment in the Settlement?

If you are a Settlement Class Member, you cannot sue Mr. Fraser, continue to sue, or be part of any other lawsuit against Mr. Fraser concerning or relating to the claims released in this Settlement. The Released Claims and Released Parties are defined in the Settlement Agreement. They describe the legal claims that you give up as a Settlement Class Member if the Settlement is approved. The Settlement Agreement is available at www.GAWMinersClassAction.com.

THE LAWYERS REPRESENTING YOU

12. Do I need to hire my own lawyer?

No. The Court has appointed Susman Godfrey L.L.P and Izard, Kindall & Raabe, LLP as Class Counsel. You will not be charged for Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Class Counsel will file a motion seeking a fee award not to exceed one-third of the Settlement Fund, and reimbursement for all of the expenses they incurred or will incur. Class Counsel will also seek Incentive Awards for each of the named Plaintiffs, to compensate them for efforts they took on behalf of the entire Settlement Class in the litigation.

OBJECTING TO THE SETTLEMENT

14. How do I tell the Court if I do not like the Settlement?

Any Settlement Class Member may object to the fairness, reasonableness, or adequacy of the proposed Settlement. Settlement Class Members who wish to object to any term of the Settlement must do so, in writing, by filing a written objection with the Court, and serving copies on Class Counsel and Counsel for Defendant.

The written objection must include:

- Your full name, address, telephone number, and email address (if any);
- A written statement of all grounds for the objection accompanied by any legal support for the objection (if any);
- Copies of any papers, briefs, or other documents upon which the objection is based;
- A list of all persons who will be called to testify in support of the objection (if any);
- A statement of whether you intend to appear at the Fairness Hearing;
- A list of any objections by you and/or your counsel in any class action settlement submitted to any state or federal court in the United States in the previous five years; and
- You or your counsel's signature.

If you intend to appear at the Fairness Hearing through counsel, the written objection must also state the identity of all attorneys representing you who will appear at the Fairness Hearing.

Your objection, along with any supporting material you wish to submit, must be filed with the Office of the Court, with a copy served on Class Counsel and Counsel for Defendant by **May 25, 2023** at the following addresses:

Clerk of the Court	Class Counsel
Office of the Clerk Abraham Ribicoff Federal Building United States Courthouse 450 Main St. Hartford, CT 06103	Seth Ard Jacob W. Buchdahl Geng Chen Russell F. Rennie Susman Godfrey LLP 1301 Avenue of the Americas 32nd Floor New York, NY 10019 sard@susmangodfrey.com jbuchdahl@susmangodfrey.com gchen@susmangodfrey.com rrennie@susmangodfrey.com Robert A. Izard Doug Needham IZARD, KINDALL & RAABE, LLP 29 S. Main St., Suite 305 West Hartford, CT 06107 rizard@ikrlaw.com dneedham@ikrlaw.com

	Counsel for Defendant
	Daniel H. Weiner Marc A. Weinstein Amina Hassan Hannah Miller Hughes Hubbard & Reed LLP One Battery Park Plaza New York, NY 10004-1482 daniel.weiner@hugheshubbard.com Rowena A. Moffett David R. Schaefer Sean M. Fisher Brenner, Saltzman & Wallman LLP 271 Whitney Avenue New Haven, CT 06511 rmoffett@bswlaw.com

THE COURT’S FAIRNESS HEARING

15. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on **June 30, 2023 at 2:30pm**, at the Abraham Ribicoff Federal Building, United States Courthouse, 450 Main Street, Hartford, Connecticut 06103.

At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will also consider the application by Class Counsel for attorneys’ fees and reimbursement of expenses and reasonable Incentive Award payments for Plaintiffs. If there are objections, the Court will consider them at this time. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

16. Do I have to come to the hearing?

No. Class Counsel will answer any questions that the Court may have, but you may come at your own expense. If you submit an objection, you don’t have to come to Court to talk about it. As long as you filed and served your written objection on time to the proper addresses, the Court will consider it. You may also pay your own lawyer to attend, but it’s not necessary.

17. May I speak at the hearing?

Yes. You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your “Notice of Intent to Appear.” Your request must state your name, address, and telephone number, as well as the name, address, and telephone number of the person that will appear on your behalf. Your request must be filed with the Clerk of the Court and served on Class Counsel and Defendant’s Counsel no later than **May 25, 2023**.

Only the Parties, Settlement Class Members, or their counsel may request to appear and be heard at the Fairness Hearing. Persons or entities that have opted out may not request to appear and be heard at the Fairness Hearing.

IF YOU DO NOTHING

18. What happens if I do nothing at all?

If you do nothing, you will be included in the Settlement Class, but you will not receive a monetary benefit even if the proposed settlement is approved. If the proposed settlement is approved, you cannot sue Mr. Fraser, continue to sue, or be part of any other lawsuit against Mr. Fraser concerning or relating to the claims released in this Settlement.

GETTING MORE INFORMATION

19. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement, available at the Class Website, www.GAWMinersClassAction.com. If you have additional questions, you can visit the Class Website or contact the Settlement Administrator:

Audet, et al. v. Fraser, et al.
c/o Epiq
P.O. Box 3578
Portland, OR 97208-3578

PLEASE DO NOT CONTACT THE COURT OR THE COURT CLERK'S OFFICE.