



**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

FSD NO. OF 2025 ()

IN THE MATTER OF GRAND COURT LAW

BETWEEN

ZK ENPACHI FOUNDATION

Plaintiff

AND

- (1) YAROSLAV VLADIMIROVICH PSHENITSYN**
- (2) JACQUES PATRICK ADAM**
- (3) MUGEN DAO ADVISORS SEZC**
- (4) CARTAN ADVISORS**

Defendants

WRIT OF SUMMONS

TO: Yaroslav Vladimirovich Pshenitsyn, 105 Captain Temple Drive, The Highlands, West Bay, Grand Cayman, Cayman Islands

AND: Jacques Patrick Adam, 105 Captain Temple Drive, The Highlands, West Bay, Grand Cayman, Cayman Islands

AND: Mugen DAO Advisors SEZC, Metabase58 Cayman Limited, P. O. Box 10035, 71 Fort Street, Grand Cayman, KY1-1001, Cayman Islands

AND: Cartan Advisors, Metabase58 Cayman Limited, P. O. Box 10035, 71 Fort Street, Grand Cayman, KY1-1001, Cayman Islands

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set out on the next page.

Within 14 days after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 495G, George Town, Grand Cayman, the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this 25th day of February 2025.

NOTE: This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

IMPORTANT

Directions for Acknowledgment of Service are given with the accompanying form.

AND THE PLAINTIFF claims –

1. The sums and other relief claimed in the accompanying and indorsed Statement of Claim;
2. The claims made and remedies sought against the Defendants include procuring or inducing breaches of contract, unlawful means conspiracy to injure, dishonest assistance in breach of fiduciary duty, restitution, an account of profits, liability in equity as a constructive trustee, and other claims and remedies as set out in the accompanying and indorsed Statement of Claim
3. Interest on all sums due, as follows:
 - (a) Interest pursuant to s.34 of the Judicature Act (2021 Revision) and the Judgment Debts (Rates of Interest) Rules 2021 for such period and at such rate as the Court thinks just; or
 - (b) Interest pursuant to the Court's equitable jurisdiction, compounded in equity at quarterly rests, for such period and at such rate as the Court thinks just; or
 - (c) Interest otherwise payable at common law.
4. Costs.



Signature of Plaintiff's Attorney

THIS WRIT was issued by Johnstone Law whose address for service is Unit 9, Tropic Centre, 18 Earth Close, George Town, Grand Cayman, Cayman Islands.

**DIRECTIONS FOR ACKNOWLEDGMENT
OF SERVICE OF WRIT OF SUMMONS**

1. The accompanying form of Acknowledgment of Service should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person.

After completion it must be delivered or sent by post to the Law Courts, P.O. Box 495G, George Town, Grand Cayman.

2. A defendant who states in the Defendant's Acknowledgment of Service that the Defendant intends to contest the proceedings must also serve a defence on the attorney for the plaintiff (or on the plaintiff if acting in person).

If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

If the Defendant fails to serve that Defendant's defence within the appropriate time, the Plaintiff may enter judgment against the Defendant without further notice.

3. A Stay of Execution against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that the Defendant intends to apply for a stay, execution will be stayed for 14 days after that Defendant's Acknowledgment, but the Defendant must, within that time, issue a Summons for a stay of execution, supported by an affidavit of the Defendant's means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

Notes for Guidance

1. Each Defendant (if there are more than one) is required to complete an Acknowledgment of Service and return it to the Courts Office.
2. For the purpose of calculating the period of 14 days for acknowledging service, a writ served on the Defendant personally is treated as having been served on the day it was delivered to the Defendant.
3. Where the Defendant is sued in a name different from the Defendant's own, the form must be completed by the Defendant with the addition in paragraph 1 of the words "sued as (the name stated on the Writ of Summons)".
4. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of

(.....)" after that Partner's name.

5. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN THAT PERSON'S OWN, the form must be completed by the Defendant with the addition in paragraph 1 of the description "trading as (.....)" after that Defendant's name.
6. Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.

**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

FSD NO. OF 2025 ()

IN THE MATTER OF THE GRAND COURT ACT

**BETWEEN
ZK ENPACHI FOUNDATION**

Plaintiff

AND

- (1) YAROSLAV VLADIMIROVICH PSHENITSYN**
- (2) JACQUES PATRICK ADAM**
- (3) MUGEN DAO ADVISORS SEZC**
- (4) CARTAN ADVISORS**

Defendants

STATEMENT OF CLAIM

INTRODUCTION

1. This is a claim by the Plaintiff in respect of a Joint Venture and partnership entered into between the Plaintiff and a company, Dao3 (as defined below), and promoted and overseen by Mr Ryon Nixon (as representative of the Plaintiff) and initially by the First Defendant, and subsequently both by the First and Second Defendants, on behalf of Dao3. The vehicle intended for the furtherance of the business of the Joint Venture and partnership on an equal basis was the Third Defendant.
2. As set out below, notwithstanding a number of legal obligations constraining such conduct, Dao3, assisted by the First, Second and Fourth Defendants, and orchestrated and directed by at least the First and Second Defendants, caused the Joint Venture and partnership to be entirely repudiated and overthrown. The Third Defendant, the apparently agreed vehicle for the operation of an equal partnership, was taken over and suborned by the First and Second Defendants, and used for their own private, competing purposes rather than for the agreed purposes of the Joint Venture and partnership. The Plaintiff has suffered considerable loss and damage, including lost profits and wasted expenditure.

3. By a notice dated 28 January 2025 (“**Notice**”), the Plaintiff gave notice to all Defendants, and to Dao3, of termination of the Joint Venture and partnership and of the JVFIAA (as defined below) based upon the matters set out in the Notice, including repudiatory breaches of contract. Neither the Defendants nor Dao3 has by the date of this Statement of Claim objected to the service and validity of the Notice as terminating the Joint Venture and partnership and the JVFIAA. As such, the Joint Venture, partnership and JVFIAA is at an end, save for any and all obligations which survive its termination.

PARTIES AND OTHER PERSONS

4. The parties and persons relevant to these proceedings are as follows.
 - (a) The Plaintiff is ZK Enpachi Foundation (“**ZKE**”), a Cayman Islands foundation company, incorporated on 28 July 2023, which invests in and provides consultancy services to digital asset/blockchain entities. The director of ZKE is Mr Paul Parker (“**Mr Parker**”). ZKE engaged Mr Ryon Nixon as a consultant to act on its behalf in all matters relating to the Joint Venture and partnership, and the JVFIAA. ZKE is a party to the JVFIAA.
 - (b) Mr Ryon Nixon (“**Mr Nixon**”) is an experienced US attorney who specialises in the digital asset/blockchain industry. Mr Nixon is inter alia the founder of HLC (as defined below), a co-founder of HG (as defined below), the principal of Marin Digital Ventures, a company which has invested in over 150 crypto deals, and a founding member of the non-profit industry body, the Proof of Stake Alliance. He is a market-leading practitioner with an extensive network of clients and contacts, having advised on and been involved in various leading cryptocurrency projects and given evidence to the US government on matters relating to the blockchain industry.
 - (c) Horizons Law and Consulting (“**HLC**”) is a specialist US law firm founded by Mr Nixon which specialises in the digital asset/blockchain industry. HLC team members relevant to the proceedings include Mr Nixon, Mr Alon Sachar (senior attorney), and Mr Michael Cairo (associate attorney).
 - (d) Horizons Global SEZC (“**HG**”) is a Cayman Islands special economic zone company co-founded by Mr Nixon which provides directorship and corporate services to digital asset/blockchain entities.
 - (e) Decentralized Solutions Ltd SEZC (“**Dao3**”) is a Cayman Islands special economic zone company controlled by Mr Yaroslav Pshenitsyn, which specialises as a management and consulting services provider to digital asset/blockchain entities. Dao3 is a party to the JVFIAA.

- (f) The First Defendant is Mr Yaroslav Pshenitsyn ("**Mr Pshenitsyn**"); he is the sole director of Dao3. He was the principal person involved on behalf of Dao3 in negotiations for the Joint Venture and partnership, and the JVFIAA. He is a director and the majority shareholder of Mugen (as defined below) and was responsible for providing services to clients and for the day-to-day operations of the Business (as defined in paragraph 5 below). Mr Pshenitsyn is a qualified attorney.
- (g) The Second Defendant is Mr Jacques Adam ("**Mr Adam**"); he is a director and the minority shareholder of Mugen. He was engaged by Mr Pshenitsyn in around April 2024 to assist in providing services to clients of the Business and to assist in managing the operations of Mugen, once incorporated and operational. Mr Adam is a qualified accountant.
- (h) The Third Defendant is Cartan Advisors ("**Cartan Advisors**"), a Cayman Islands company incorporated by Mr Pshenitsyn and/or Mr Adam on 4 December 2024 for the purposes of providing management and consulting services to digital asset/blockchain clients of a business separate from the Business and also to digital asset/blockchain clients assigned or referred to it by the Cartan Group (as defined below). Cartan Advisors is a direct competitor and competing business of the Business and the Joint Venture and partnership.
- (i) The Fourth Defendant is Mugen DAO Advisors SEZC ("**Mugen**"), a Cayman Islands special economic zone company incorporated on 23 July 2024 apparently as the JV Entity under the JVFIAA. It was intended (by ZKE) to be the vehicle through which the Business was operated for the mutual and equal benefit of the parties to the Joint Venture and partnership, pursuant to the express terms of the JVFIAA. Mr Pshenitsyn and Mr Adam have always been and are the directors and registered members of Mugen, holding 42,499 shares and 7,500 shares (50,000 total) respectively. At all material times, alternatively at all material times after 28 January 2025, Mugen has in reality been a direct competitor and competing business of the Business and the Joint Venture and partnership.
- (j) Cartan Group LLC ("**Cartan Group**") is a Cayman Islands company that specialises inter alia as a management and consulting services provider to digital asset/blockchain entities. It was established in around 2018 and was originally a separate and well-established business which was nothing to do with Cartan Advisors. Cartan Group is a direct competitor and competing business of the Business and the Joint Venture and partnership.
- (k) Leeward Management Limited ("**Leeward Management**") is a management and advisory services provider in the Cayman Islands that specialises inter alia as a management and consulting services provider to digital asset/blockchain entities.

BACKGROUND

5. In early 2023, Mr Nixon began exploring the idea of setting up a specialist advisory and corporate services provider, based in the Cayman Islands, *inter alia* for the creation and operation of decentralized autonomous organisations (“**DAOs**”) on behalf of clients of the business (the “**Business**”). In brief summary, DAOs are intended to operate without centralized control or traditional leadership and are common systems for the use and operation of digital asset/blockchain technology, and also provide a method of independent and transparent communication and transacting. Mr Nixon had and has a considerable and confidential contacts and potential clients list suitable for provision to the Business to allow it to start up and succeed.
6. Between April and June 2023, Mr Nixon engaged in discussions with Leeward Management about a possible joint venture for the Business in relation to which HLC prepared a comprehensive business plan and Leeward Management prepared draft incorporation documents.
7. In April 2023, Mr Nixon met Mr Pshenitsyn for the first time by chance on a conference call during which Mr Pshenitsyn was pitching Dao3’s services and what they could offer Mr Nixon’s clients.
8. In July 2023, Mr Nixon began exploring other or additional potential partners which had specialist experience in DAO/blockchain technology services, including Dao3. He met with Mr Pshenitsyn to discuss the Business and subsequently proposed draft terms for a venture between ZKE, Leeward and Dao3. Given Mr Pshenitsyn’s specific experience in blockchain technology services in the Cayman Islands, Mr Nixon decided that ZKE would pursue a joint venture with Dao3 only in relation to the Business.
9. In August 2023, Mr Nixon sent Mr Pshenitsyn a draft copy of the JVFIAA (as defined below). On 21 August 2023, Mr Pshenitsyn provided a comprehensive list of Dao3’s purported team which included the names and service capabilities of five team members. The next day Mr Pshenitsyn introduced his purported team to Mr Nixon and the HLC team over a call during which they discussed how responsibilities could be divided, particularly as regards business development and the day-to-day operations of the Business.
10. In September 2023, Mr Nixon and Mr Pshenitsyn, with ZKE and Dao3 being the corporate entities formally agreeing to written documentation, agreed to enter into the Joint Venture and partnership for the purposes of the Business and to provide an ‘all-in-one’ solutions platform premised on the understanding that, given Mr Nixon’s considerable client network and industry standing, the Joint Venture and partnership, and the Business, would rely primarily on ZKE and Mr Nixon for the referral of clients, while the services provided to those clients and the daily operations of the Joint Venture and partnership, and the Business, would be handled by Dao3, at least initially. This delineation of responsibilities is expressly set out in Exhibit A to the JVFIAA.

CONTRACTUAL AND JOINT VENTURE TERMS**JVFIAA TERMS**

11. On 21 September 2023, ZKE and Dao3 entered into a Joint Venture Formation and Interim Arrangements Agreement (the “**JVFIAA**”). The JVFIAA was signed by Mr Parker on behalf of ZKE and by Mr Pshenitsyn on behalf of Dao3.
12. The JVFIAA is referred to for its full terms and effect. It envisaged (*inter alia*) the following:
- (a) Until such time as the JV Entity was formed and the Business was fully operational, Dao3 would perform the Joint Venture services, defined as “the Services”;
 - (b) The JV Entity was to be formed alongside the execution of a JV Entity Shareholders’ Agreement, which, together with the Memorandum and Articles of Association, formed the JV Entity Governance Documents;
 - (c) Collaboration would begin immediately for what was called the Interim Period, from 21 September 2023 until a date to be agreed in writing as the date by which the JV Entity would formally commence operations. The Commencement Date has never occurred and so the Interim Period subsisted until termination of the JVFIAA on 28 January 2025;
 - (d) During the Interim Period, the parties would evenly split the Net Income and would conduct all affairs relating to New D3 [Dao3] Clients in accordance with the spirit of the governance provisions contained in clause II(2) of the JVFIAA;
 - (e) Prior to the Commencement Date, the JV Entity was not permitted to engage in any trade or business. All business for the Joint Venture and partnership was to be conducted through Dao3.
13. The express terms of the JVFIAA included:
- (a) “Affiliate” was defined as:

“Affiliate” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise; provided, however, that the term “Affiliate” does not, when used with respect to a Party, include the JV Entity.
 - (b) Clause II(2):

Governance. *The Governance Documents shall stipulate that each of the zk Enpachi and the D3 Entity shall, among other things: i. be entitled to an identical equity interest in the*

JV Entity; ii. possess equal decision-making authority and actual control of the JV Entity; and iii. be vested with the right to exercise one material veto on an annual basis (with no rollover rights); provided that [OMITTED].

(c) Clause VI(1):

Access to Information. *From the date hereof until the Closing Date, each Party shall (a) afford to the other Party and its Representatives full and free access to and the right to inspect all of the properties, assets, premises, books and records, contracts, and other documents and data of such Party or its Affiliates that are reasonably related to the Services and/or JV Business; (b) furnish the other Party and its Representatives with such financial, operating, and other data and information in the possession of such Party as the other Party or any of its Representatives may reasonably request; and (c) instruct its Representatives to cooperate with the other Party in any reasonable investigation. Any investigation pursuant to this Section VI.1 shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the other Party or its Affiliates. No investigation by any Party or other information received by such Party shall operate as a waiver or otherwise affect any representation, warranty, or agreement given or made by the other Party in this Agreement.*

(d) Clause VI(4):

Non-Competition:

i. During the term of this JV Agreement and so long as the Parties remain equal partners in the JV Entity, neither Party (including its controlled Affiliates) shall, for a period of one year from the date of the termination of this Agreement:

1. Engage, participate, invest in, or assist any third party in any business that directly competes with the JV Business.

2. Solicit, divert, or entice away, or attempt to solicit, divert, or entice away, any customer, client, supplier, or business partner of the JV Entity to a competing business.

3. Use or disclose any Confidential Information (as defined in the Confidentiality Agreement or the Governance Documents, as applicable), trade secrets, or Intellectual Property of the JV Entity for the benefit of any competing business or in any manner that would be detrimental to the JV Entity.

ii. The protective provisions in this Section VI.4 shall apply to each Party during the Interim Period as it would [to] the JV Entity following the Closing Date.

IMPLIED AND OTHER TERMS

14. The following terms were implied into the JV FIAA, implied by reason of necessity and/or business efficacy and/or obvious inference and/or arising as a matter of law by reason of the relationship of Joint Venture partners:

(a) A duty of good faith as between the Plaintiff and Dao3 in all dealings and transactions affecting the Business.

(b) Fiduciary or other duties as between the Plaintiff and Dao3, including but not limited to:

(i) A duty not to compete with each other in the area of the Business;

- (ii) A duty not to make a profit in the area of the Business without the fully informed consent of the other party;
- (iii) A duty to avoid a conflict of self-interest and of duty;
- (c) A duty not to take any steps or to fail to take any steps which would render the proper operation of the JFVIAA and the Joint Venture impossible;
- (d) A duty to render true accounts and full information of all things affecting the partnership (as set out in section 28 of the Partnership Act);
- (e) A duty not, without consent, to carry on any business of the same nature as and competing with that of the firm (as set out in section 30 of the Partnership Act).

KNOWLEDGE, INTENTION AND CORPORATE PARTIES

15. For all purposes relating to this claim:
- (a) The knowledge, intentions and actions of Mr Pshenitsyn are to be attributed to Dao3. Mr Pshenitsyn is the sole director and the directing mind and will of Dao3.
 - (b) If and insofar as he ever acted as agent for or on behalf of Dao3, the knowledge, intentions and actions of Mr Adam are to be attributed to Dao3. For the avoidance of doubt, ZKE asserts that at all material times Mr Adam was an agent or otherwise acted on behalf of Dao3.
 - (c) Together, Mr Pshenitsyn and Mr Adam are the sole members and sole directors and the directing minds and wills of Mugen. The knowledge, intentions and actions of Mr Pshenitsyn and Mr Adam are to be attributed to Mugen.
 - (d) Together, Mr Pshenitsyn and Mr Adam are the sole members and sole directors and the directing minds and wills of Cartan Advisors. The knowledge, intentions and actions of Mr Pshenitsyn and Mr Adam are to be attributed to Cartan Advisors.
16. With respect to the phrase “*controlled Affiliates*” in clause VI(4)(i) of the JVFIAA, ZKE avers as follows:
- (a) Dao3 owed numerous obligations to ZKE under the JVFIAA;
 - (b) As a director of Dao3, and notwithstanding his position as the directing mind and will of Dao3, Mr Pshenitsyn owed and owes directors’ and fiduciary duties to Dao3 under the laws of the Cayman Islands. These duties include a duty of loyalty and a duty not to act in such a way as to put Dao3 in breach of the JVFIAA for his own private or separate benefit;

- (c) By reason of the directors' and fiduciary duties owed by Mr Pshenitsyn to Dao3, he was and is "controlled by" Dao3 for the purposes of ensuring Dao3's proper compliance with the JVFIAA and within the meaning of the phrase in the JVFIAA;
- (d) In the premises, Mr Pshenitsyn is a "controlled Affiliate" for the purposes of clause VI(4)(i) of the JVFIAA; and breaches of that clause by Mr Pshenitsyn alone render Dao3 in breach of contract;
- (e) The averments above are without prejudice to ZKE's primary case that Dao3 is itself in breach of contract, without asserting that Mr Pshenitsyn is a "controlled Affiliate".

PROGRESS OF THE JOINT VENTURE AND PARTNERSHIP

- 17. By around December 2023, it became clear to ZKE that Dao3's purported team did not exist to the extent stated by Mr Pshenitsyn, and that the JV Entity was not ready to service clients:
 - (a) None of the purported team members was available full-time;
 - (b) Two of the purported team members that were on the introductory call in September were never seen or involved in the Joint Venture and partnership or the Business in any capacity;
 - (c) One team member (who was at that time employed by ChainLink) was available at times to work on the Joint Venture and partnership and the Business but his work was unsatisfactory, and in around December 2023, he was fired by Chainlink and did not perform any work for the Joint Venture after that time;
 - (d) In around December 2023, Mr Pshenitsyn spoke with Mr Nixon about hiring two candidates to perform accounts work for the Joint Venture and partnership and the Business which Mr Nixon interviewed and who were subsequently hired.
 - (e) From around January 2024, none of the purported team members other than Mr Pshenitsyn was involved in the Joint Venture and partnership or the Business in any capacity.
 - (f) In February 2024, Mr Nixon introduced Mr Pshenitsyn to Ms Suzette Robinson, the former chief of staff at HLC, who Mr Pshenitsyn subsequently hired as his executive assistant.
- 18. This state of affairs necessitated Mr Nixon and the HLC team providing substantial operational assistance and performing the bulk, or at least a large part, of the legal and administrative work required to bring the Business into effect and to operate it, without compensation or other reward, which had not been intended by the parties.
- 19. In April 2024, Mr Pshenitsyn spoke with Mr Nixon about bringing Mr Adam onboard to assist in performing the responsibilities of Dao3 under the JVFIAA and to ultimately manage the day-to-

day operations of the Business. Mr Nixon interviewed Mr Adam and he was hired soon after.

20. During a call in around May 2024, Mr Pshenitsyn advised Mr Nixon that ZKE should not be listed as a member of the JV Entity at the regulatory approval phase of setting up the Business on the basis that the inclusion of a corporate member of a special economic zone company could delay the approval process, but that he would amend the Register to reflect ZKE's equity shareholding and other rights under the JVFIAA immediately after the JV Entity's incorporation and approval. ZKE does not know whether this statement by Mr Pshenitsyn was true.
21. On 23 July 2024, Mr Pshenitsyn and/or Mr Adam:
- (a) caused Mugen to be incorporated as the JV Entity contemplated under the JVFIAA;
 - (b) caused Mr Pshenitsyn and Mr Adam (i.e. themselves) to be appointed as the only directors of Mugen; and
 - (c) caused Mr Pshenitsyn and Mr Adam (i.e. themselves) to be listed as the only members in the Register of Members, with Mr Pshenitsyn holding 42,499 shares and Mr Adam holding 7,500 shares (50,000 total).
22. Thereafter ZKE (via Mr Nixon and/or Mr Sachar) and Dao3 (via Mr Pshenitsyn and/or Mr Adam) attended weekly or regular calls to discuss the progress of the Business. By around October 2024, however, Mr Pshenitsyn and Mr Adam started acting confrontationally towards Mr Nixon and the personal relationship between Mr Nixon, Mr Pshenitsyn and Mr Adam began to break down. During a call on 4 October 2024, Mr Adam said words to the following effect:
- I shouldn't be coming to you guys, to get your job fucking done.*
- As derogatory as it may be: If I go to a bar. I meet a rocket fucking female at the bar. I'm gonna do whatever the fuck I need to do to make sure she gets in bed with me and I please her like she's never been pleased before. That's how we've got a service our clients.*
- I'm being super vulgar, but I want you to get the point. This is how I think as a human being, this is who I am. Who you're seeing right now is me the face that I put on for work is a professional educated fucking person that I've been trained to be. This is who I am. This is why I get irritated. I care deeply.*
- I always want to have the upper hand in whatever conversation and whatever fucking relationship I have I will have the upper fucking hand from now on. Right. That's it. And that's the tone we need to take. No one's doing us a favour*
23. The personal relationship has broken down irretrievably and all trust and confidence between Mr Nixon, Mr Pshenitsyn and Mr Adam, and between ZKE and Dao3, has ceased to exist.
24. It soon became clear to Mr Nixon that Mr Pshenitsyn and Mr Adam had acted in this manner (i.e. always having the upper hand) to certain of Mr Nixon's clients and contacts. In October 2024, Mr

Nixon was advised by a client he had referred to Mugen that said client would be terminating its engagement because of the poor services provided by Mr Pshenitsyn and Mr Adam. At the date of this document, Mr Nixon has been informed by five further clients that have expressed serious grievances with services and the resultant termination of an engagement or potential engagement with Mugen.

BREACHES OF CONTRACT, GOOD FAITH AND FIDUCIARY DUTY BY DAO3

25. Dao3, acting through Mr Pshenitsyn and/or Mr Adam, is in breach of contract and/or breach of its obligation of good faith and/or breach of its fiduciary duties in relation the JVFIAA in at least the following respects:

BREACH OF CONTRACT

26. Dao3, acting through Mr Pshenitsyn and/or Mr Adam, is in breach of clause II(2)(i)-(ii) and clause VI(1) of the JVFIAA:
- (a) At all times after 23 July 2024, Mr Pshenitsyn and/or Mr Adam declined to register Mr Nixon or ZKE's nominee as directors of Mugen;
 - (b) At all times after 23 July 2024, Mr Pshenitsyn and/or Mr Adam declined to register Mr Nixon or ZKE's nominee as members of Mugen;
 - (c) At all times after 23 July 2024, Mr Pshenitsyn and/or Mr Adam declined to cause or procure that ZKE should have an identical equity interest to Dao3 in Mugen, and/or to procure that the "Governance Documents" of Mugen so stipulated;
 - (d) At all times after 23 July 2024, Mr Pshenitsyn and/or Mr Adam blocked ZKE from obtaining any of its rights and actual control in relation to Mugen as set out above;

FURTHER PARTICULARS

- (i) As stated at paragraph 20 above, Mr Nixon understood that DAO3 would amend the Register of Members to reflect ZKE's interest in Mugen which DAO3 failed to effect notwithstanding the repeated requests of Mr Nixon during at least August 2024 and January 2025.
- (ii) During a call on 11 December 2024, a conversation took place to the effect:

Nixon	<i>But how long have you guys been on there [ROM] and I haven't been on there? I'm a founder, how come I'm not on there?</i>
Adam	<i>We were short on resources.</i>
Nixon	<i>Got it. I'm sorry. Thank you</i>

Adam *Don't say sorry or thank you because you're fucking patronising. That's the reason why we're having this conversation right now.*

- (iii) Given the hostility of Mr Pshenitsyn and Mr Adam towards Mr Nixon, and several complaints and certain terminated engagements of clients he had referred to Mugen as a result of Mugen's services, Mr Nixon was concerned about the damage to his client relationships and felt compelled to mollify Mr Pshenitsyn and Mr Adam. Accordingly, on 15 December 2024, Mr Nixon sent Mr Pshenitsyn and Mr Adam draft shareholders terms which proposed a reduction of ZKE's equity and an increase in theirs.
- (iv) On 18 December 2024, Mr Pshenitsyn sent an email to Mr Nixon stating he was not willing to agree the draft terms and instead proposed in bad faith a 'revenue sharing agreement', which sought to deprive ZKE's equity in Mugen while giving ZKE a right to 50% of revenue from clients referred by Mr Nixon but excluding any right to revenue from clients engaged by Mr Pshenitsyn and/or Mr Adam.
- (e) At all material times, and certainly after 23 July 2024, Mr Pshenitsyn and/or Mr Adam failed to afford ZKE full and free access to the books, records, contracts and other documents of Dao3 and Mugen;

FURTHER PARTICULARS

- (i) During a call on 25 November 2024, Mr Pshenitsyn and Mr Adam informed Mr Nixon that Cartan Group had 2-3 senior employees and that one of those employees was going to move to Mugen. The conversation was to the effect:

Nixon *Can I see their CV? Is that cool?*

Adam *I don't even have his CV mate.*

Pshenitsyn *Don't worry about CVs. Trust us man, there's been a process.*

Nixon *I trust you, I just want to know what's going on.*

- (ii) During a call on 11 December 2024, Mr Pshenitsyn took serious issue with Mr Nixon requesting access to Mugen's files and holding himself out as a co-founder of Mugen. The conversation was to the effect:

Pshenitsyn *I've heard that you bullied Suze into giving you access to Mugen's files. I don't know if it's true or not Ryon, I'm just saying I heard.*

Adam *You don't need to smile that way, it's very disrespectful.*

Pshenitsyn *People are telling me you are a co-founder of Mugen and I'm like – no he isn't, he's an equity partner, but not a co-founder.*

There's nothing in the JVA that expressly says founder.

It's making me look like a fucking idiot and Ryon tries to put me down as if I'm some sort of fucking slave.

27. Dao3, acting through Mr Pshenitsyn and/or Mr Adam, is in breach of clause VI(4)(i)(1) and clause VI(4)(i)(2) of the JVFIAA:
- (a) At all times after 23 July 2024, Mr Pshenitsyn and/or Mr Adam declined to cause or procure that Mugen should operate as the “JV Entity” for the mutual benefit the Joint Venture partners;
 - (b) From at least November 2024, Mr Pshenitsyn and/or Mr Adam, both on their own account and as directors and agents of Dao3, planned to pursue and then pursued the Business or a competing business for their and Dao3’s own account without reference to the Joint Venture and partnership, or the JVFIAA, and to the detriment of ZKE;
 - (i) From some time in mid-2024, Mr Pshenitsyn and/or Mr Adam secretly executed a plan to withhold Mugen from the Joint Venture and partnership and to use it for their and Dao3’s own account;
 - (ii) From some time around November 2024 (or possibly earlier), Mr Pshenitsyn and/or Mr Adam secretly contacted Cartan Group with a view to some cooperation or merger separate from the Joint Venture and partnership, and pursued discussions with Cartan Group;
 - (c) ZKE infers that Mugen, when incorporated, was never intended by Dao3, whether acting through Mr Pshenitsyn and/or Mr Adam or otherwise, to become the JV Entity. Instead, it was used by Dao3 and/or Mr Pshenitsyn and/or Mr Adam for the private purposes of Dao3 and/or Mr Pshenitsyn and/or Mr Adam;

FURTHER PARTICULARS

- (i) During a call on 11 December 2024, a conversation took place to the effect:

Pshenitsyn *I got legal advice on the JVA. The work is performed by us and under my direction, because of my experience ... I'll leave tomorrow and the whole thing will collapse. You got that? ... And you can sue, we can go to the courts in Cayman... but that's not what I want and that's not going to happen, right?*

Nixon *You guys can both leave and just give up your equity*

Adam *You don't have equity!*

Pshenitsyn *Jacques stop. Stop stop!*

Adam *I'm leaving and taking everybody; the team will be coming with me.*

Pshenitsyn *I want to leave and even if there are issues with non-compete, whatever, I will start a spinoff separately.*

- (ii) During a call on 23 December 2024, conversations took place to the effect:
- Pshenitsyn *If you guys are not communicating within your firm, that is not our fucking problem ...I hope we're clear about this because the fact that we're having a conversation about this is a waste my fucking time.*
- Cairo *Okay, understood. I apologise.*
- Pshenitsyn *I have the opportunity to drop all this and create a huge pipeline of work ... my association and what I offer is why Mugen is the way it is.*
- Sachar *But what you're doing in effect is cutting ZKE out of the entity and just giving them origination fees and that's basically it.
When we were drafting the documents, equity meant profit share. We never talked about nonprofit equity.*
- (iii) On 11 January 2025, Mr Pshenitsyn sent a message to Mr Nixon apologising for recent events and requesting that they meet to resolve the situation;
- (iv) On 13 January 2025, Mr Nixon received a LinkedIn message from Eddie Noyons, the director of Marfire, a corporate services provider in the Cayman Islands, and principal of Autonomous, a DAO services provider and direct competitor of Mugen in the Cayman Islands, that said:
- "...I'm on the board of a few companies that were working with Cartan and now transitioning to the new entity you have on the go where Mugen and Cartan seem to be merging into a newco. I just thought I'd reach out and say 'congrats' and it would be good to have a call and catch-up..."*
- (v) During a call later that day, Mr Noyons advised Mr Nixon that he had become aware directly through his interactions with Mr Pshenitsyn and/or Mr Adam that Mugen had merged or entered into some form of commercial arrangement with Cartan Group. This was all unknown to Mr Nixon or ZKE;
- (vi) On 15 January 2025, Mr Pshenitsyn chased Mr Nixon for a response on the 'revenue sharing agreement' stating that the *"agreement is simple under the circumstances"* and he would like it signed as soon as possible;
- (vii) On 17 January 2025, ZKE caused a company search for 'Cartan' to be conducted which revealed that an entity named Cartan Advisors had been incorporated in the Cayman Islands on 4 December 2024;
- (viii) On 20 January 2025, ZKE caused a Directors Search to be conducted which revealed that the directors of Cartan Advisors are Mr Pshenitsyn and Mr Adam;
- (ix) During a call on 23 January 2025, Mr Pshenitsyn and Mr Adam admitted to Mr Nixon that they had set up Cartan Advisors and entered into an agreement with Cartan

Group pursuant to which Cartan Group had agreed to assign its client base to Cartan Advisors with revenue from those clients to be distributed to Cartan Group and Cartan Advisors on a 50/50 basis. This was in direct competition with the Business. The conversation was to the effect:

Mr Adam *We're taking all their clients; the full book. So it's not a merger, some of [Cartan Group] employees are willing to move over ... And clients can deny the novation, so to speak.*

Sachar *What do you mean 'deny the novation'?*

Pshenitsyn *We are the designated partners to take their clients. For the first year [Cartan Group] will take 50% of the revenue.*

It is not a merger. You might have heard that we were siphoning business; it's not us starting a different shop. Cartan Advisors is just the vehicle.

Adam *The [clients] will be serviced by Mugen team. But the transition will happen in [Cartan Advisors] while the team move over... It was set up from an administrative standpoint so we're able to track things as the deal is 50% revenue... That was the intention behind it.*

Sachar *So, they set [Cartan Advisors] up?*

Pshenitsyn *No, we set it up.*

Sachar *So is the idea that Cartan [Group] will get 50% of the revenue from your clients, and they're the ones you'll park in this new vehicle?*

Pshenitsyn *Yep*

Nixon *But we've been doing all this housekeeping; is that when this has been happening?*

Pshenitsyn *It was around the same time; we obviously wanted to speak to you ... you're relying on the JVA... Whatever I said at the time was true about clients we were working on. It's a separate entity.*

It's not that we're setting up a competitor.

- (d) Mr Pshenitsyn and/or Mr Adam have attempted to solicit, divert and/or entice clients of the Joint Venture and partnership to Cartan Advisors to the detriment of ZKE;

FURTHER PARTICULARS

- (i) The Further Particulars at paragraph 27(c) above are repeated.
- (ii) In around October 2024, Mr Pshenitsyn sent Mr Nixon a business development spreadsheet identifying Mugen's current and target clients. This spreadsheet stated that a certain client, Space and Time (**S&T**), were "*already engaged; full services*". During a call on 25 November 2024, Mr Pshenitsyn also informed Mr Nixon that Mugen had engaged S&T. On 24 December 2024, Mr Adam provided a purportedly complete client list which stated there was "*no executed agreement in place*" with

S&T. ZKE understands Mr Pshenitsyn is a director and/or the managing director of S&T and infers he is therefore able to contract on behalf of or otherwise influence S&T's engagement with Mugen. ZKE infers from this conduct that it is likely in the circumstances that Mr Pshenitsyn and/or Mr Adam have sought to divert or solicit S&T, being a client and/or potential client of the Business, away from the Joint Venture and partnership and to Cartan Advisors.

- (iii) During a call on 25 November 2024, Mr Pshenitsyn informed Mr Nixon that Wormhole (a potential client) was "*about to get dropped by Cartan Group*" and he had therefore contacted them through his ChainLink email address. On 24 December 2024, Mr Adam provided a purportedly complete client list which did not include Wormhole as a current or potential client. On 9 January 2025, Mr Pshenitsyn and Mr Adam joined a call with Wormhole to pitch their service offerings. ZKE infers from this conduct that it is likely in the circumstances that Mr Pshenitsyn and/or Mr Adam have sought to divert or solicit Wormhole, being a potential client of the Business, away from the Joint Venture and partnership and to Cartan Advisors.
- (e) Against the background of the above, from around December 2024, Mr Pshenitsyn and/or Mr Adam also sought in bad faith to re-negotiate the Joint Venture and partnership, and the JVFIAA, by presenting Mr Nixon and ZKE with a draft 'revenue sharing agreement' which would have significantly altered the economic benefit of the Joint Venture and partnership, and the JVFIAA adversely to ZKE;

FURTHER PARTICULARS

The Plaintiff repeats the Further Particulars at paragraphs 26(d)(iii)-(iv) and 27(c) above.

- (f) At all material times, Dao3, whether acting through Mr Pshenitsyn and/or Mr Adam or otherwise, did nothing to prevent or inhibit Mugen and/or Mr Pshenitsyn and/or Mr Adam and/or Cartan Advisors from any of the actions above complained of, in circumstances where it had the power and ability to do so, in seeking to restrain the actions of Mr Pshenitsyn and/or Mr Adam.

BREACH OF DUTY OF GOOD FAITH AND/OR FIDUCIARY DUTIES

- 28. Dao3, acting through Mr Pshenitsyn and/or Mr Adam, is in breach of its obligation of good faith and/or breach of its fiduciary duties in relation the JVFIAA in at least the following respects:
 - (a) paragraphs 26 to 27 and the Further Particulars above are breaches of the obligation of good faith as between ZKE and Dao3;
 - (b) paragraphs 26 to 27 and the Further Particulars above are breaches of Dao3's fiduciary

obligations.

29. ZKE also relies on breaches of section 30 of the Partnership Act by Dao3 in respect of paragraph 27 and the relevant Further Particulars.
30. The breaches at 26 to 27 and the relevant Further Particulars above are individually repudiatory and material. In the alternative, all above breaches, taken together, are repudiatory and material.
31. All breaches above and the particulars set out are subject to amendment and to discovery.

CLAIMS AGAINST THE DEFENDANTS

PROCURING OR INDUCING BREACHES OF CONTRACT

32. Paragraphs 15 and 16 above are repeated. Dao3 acts and acted only through the actions of Mr Pshenitsyn and/or Mr Adam, and the knowledge and intention of Mr Pshenitsyn and/or Mr Adam is to be attributed to each of Dao3.
33. Mr Pshenitsyn and Mr Adam are inferred to have been acting in concert at all material times, alternatively in close communication and cooperation.
34. Paragraphs 26 to 27 above are repeated. ZKE relies on the breaches of contract by Dao3. Mr Pshenitsyn and/or Mr Adam were instrumental in all Dao3's breaches of contract.
35. Mr Pshenitsyn and Mr Adam were aware of both the JVFIAA, its obligations and of the facts giving rise to the breaches set out above. Mr Pshenitsyn signed the JVFIAA. Mr Adam was aware of its existence and its terms after he became involved in the Joint Venture and partnership.
36. By reason of the matters aforesaid and their knowledge and actions, it is inferred that Mr Pshenitsyn and Mr Adam intended that Dao3 should commit the breaches of contract above. Without prejudice to the foregoing:
 - (a) Mr Pshenitsyn and/or Mr Adam carried on negotiations and entered into some sort of arrangement with Cartan Group, while concealing that fact from ZKE since around November 2024 and at all material times since;
 - (b) Mr Pshenitsyn and/or Mr Adam caused the incorporation of Cartan Advisors, as a competitor to the Joint venture and partnership, in early December 2024, while concealing that fact from ZKE since around November 2024 and at all material times until around 23 January 2025;
 - (c) Mr Pshenitsyn and/or Mr Adam have attempted to solicit, divert and/or entice clients of the Joint Venture and partnership to Cartan Advisors to the detriment of ZKE. ZKE is currently

unable to particularise the identity of those clients;

- (d) Mr Pshenitsyn and/or Mr Adam sought to force ZKE to relinquish its equity in Mugen; in such circumstances, the inference is that part of the pressure to force ZKE to do this was intentional breaches of contract by Dao3, orchestrated by Mr Pshenitsyn and/or Mr Adam.

37. Mr Pshenitsyn and Mr Adam are jointly and severally liable for ZKE's loss in tort.

UNLAWFUL MEANS CONSPIRACY TO INJURE

38. On days and occasions and by means which ZKE cannot fully particularise, but around the middle of 2024, Mr Pshenitsyn, Mr Adam and (through them) Dao3, wrongfully and with intent to injure ZKE, conspired and agreed to cause loss to ZKE by repudiating and overthrowing the Joint Venture and partnership and seeking their own advantage in disregard of the obligations in the JVFIAA. No claim is made herein against Dao3 but ZKE's position is fully reserved.

39. Paragraphs 26 to 27 and the relevant Further Particulars above are repeated, as being the unlawful means by which the conspiracy operated.

40. The overt acts of the conspiracy pleaded above included all the facts and matters pleaded herein which involve any of the Defendants. The conspiracy is continuing.

41. Mugen joined the conspiracy on a date unknown after 24 July 2024 and is liable for all loss flowing from the conspiracy notwithstanding its late entry.

42. Cartan joined the conspiracy on a date unknown after 4 December 2024 and is liable for all loss flowing from the conspiracy notwithstanding its later entry.

43. Mr Pshenitsyn, Mr Adam, Mugen and Cartan Advisors are jointly and severally liable for ZKE's loss in tort.

DISHONEST ASSISTANCE

44. In respect of those breaches set out above, which constitute breaches of fiduciary duty, Mr Pshenitsyn, Mr Adam, Mugen and Cartan Advisors are liable in equity for assisting in such breaches of fiduciary.

45. Paragraphs 26 to 27 above are repeated.

46. In respect of the factual assistance, paragraphs 26 to 27 and 32 to 37 above are repeated. Mr Pshenitsyn, Mr Adam, Mugen and Cartan Advisors were instrumental in assisting, causing and procuring Dao3 to breach its fiduciary obligations to ZKE.

47. The assistance was dishonest. Inter alia:

- (a) Paragraphs 15 and 16 above are repeated;
- (b) Paragraphs 26 to 27 above are repeated;
- (c) Paragraphs 35 to 38 above are repeated;
- (d) Mr Pshenitsyn and Mr Adam were aware of Dao3's obligations to ZKE under the JVFIAA;
- (e) Mr Pshenitsyn and Mr Adam were completely in control of the actions (or inaction) of Dao3 and Mugen and Cartan Advisors;
- (f) Mr Pshenitsyn and Mr Adam were aware that failing to honour Dao3's obligations and communicating and cooperating secretly with Cartan Group or any competing business was commercially improper on any objective basis;
- (g) Mr Pshenitsyn and Mr Adam were aware that withholding ZKE's rightful interest and entitlements in Mugen was commercially improper on any objective basis;
- (h) Mr Pshenitsyn and Mr Adam were aware that seeking to renegotiate the terms of the Joint Venture and partnership against the background of the above pleaded conduct, including but not limited to, the withholding of interest and entitlements pleaded immediately above, was commercially improper on any objective basis and in bad faith;
- (i) In the premises, the conduct of Mr Pshenitsyn and Mr Adam and Mugen and Cartan Advisors set out herein and in assisting the breaches of fiduciary duty by Dao3 was dishonest.

LOSS AND DAMAGE

48. By reason of the matters aforesaid, ZKE has suffered loss and damage, including but not limited to the following:
- (a) Costs and expenses incurred in setting up and operating the Joint Venture;
 - (b) Lost profits which would have accrued to ZKE but for the breaches by and tortious liability of the Defendants;
 - (c) The costs incurred by ZKE in investigating the facts and matters giving rise to the claim in conspiracy against the Defendants;
 - (d) The legal costs of this claim;
 - (e) Damage to professional reputation and client relationships.
49. If and insofar as ZKE is required to elect in respect of any remedy or remedies, it shall do so

immediately after Judgment or at the next earliest time it is required to do so.

50. The Plaintiff estimates its loss at no less than USD\$1,500,000.

ACCOUNT OF PROFITS, CONSTRUCTIVE TRUSTS, RESTITUTION AND OTHER RELIEF

51. In respect of any profits or benefits accrued to, earned by or held by any of the Defendants in relation to the Business, ZKE is entitled to and seeks an Account of Profits, an Account in equity giving rise to a Constructive Trust or Trusts, Orders to give effect to such interest or interests (including Orders for repayment or disgorgement) and restitution at common law in respect of any monies or property accrued to, earned by or held by any of the Defendants for which there was or is no proper legal basis.
52. ZKE also seeks to follow and claim any monies to which it or the Joint Venture and partnership are entitled, including to trace into the proceeds of any such monies or property and to claim the assets (wherever held) now representing such monies or property.
53. ZKE also seeks Orders requiring the full and proper recognition of its interest and rights in Mugen (whether or not wound up) and in the Joint Venture and partnership, including but not limited to:
- (a) Orders requiring Mr Pshenitsyn and/or Mr Adams, whether by themselves or by their employees or agents, or by causing Dao3 to act or take specific steps, to concur in and procure an identical equity interest in Mugen as Dao3 or as Mr Pshenitsyn and/or Mr Adams;
 - (b) Orders requiring Mr Pshenitsyn and/or Mr Adams, whether by themselves or by their employees or agents, or by causing Dao3 to act or take specific steps, to concur in and procure constitutional arrangements and the practical operation and control of Mugen whereby ZKE possesses equal decision-making authority and actual control of Mugen.
54. The Plaintiff fully reserves its rights, including to apply to amend before or after discovery, to add further causes of action, or to issue fresh and separate claims against the Defendants or any of them, whether in the Grand Court or any other forum.

AND THE PLAINTIFF CLAIMS –

- (1) Damages;
- (2) All such Accounts, including an Account of Profits, or Inquiries as may be necessary or appropriate; and further Orders to give effect to the outcome of such Accounts or Inquiries;
- (3) All other Orders as may be necessary or appropriate to require the Defendants to disgorge profits or benefits in respect of which they ought to account to ZKE or to the Joint Venture

and partnership, or to reverse any unjust enrichment of any of the Defendants;

- (4) Interlocutory or final injunctions as may be necessary or appropriate, including to give effect to any continuing or subsisting rights under the JVFAA and/or to protect against the misuse of ZKE's confidential information;
- (5) All such declarations as may be necessary or appropriate, including to give effect to any constructive trust or trusts in favour of ZKE or the Joint Venture and partnership, and/or to declare the Defendants liable to account to ZKE in equity;
- (6) If and insofar as is necessary, Orders for the dissolution of the Joint Venture and partnership, and/or for the winding up of Mugen;
- (7) If and insofar as is necessary, all such equitable liens as may be appropriate;
- (8) If and insofar as is necessary, whether before or after judgment, the appointment of a receiver over the business and revenues of the Joint Venture and partnership, including to support any Account of Profits, disgorgement and restitution;
- (9) Interest on all sums due, as follows:
 - (a) Interest pursuant to s.34 of the Judicature Act (2021 Revision) and the Judgment Debts (Rates of Interest) Rules 2021 for such period and at such rate as the Court thinks just; or
 - (b) Interest pursuant to the Court's equitable jurisdiction, compounded in equity at quarterly rests, for such period and at such rate as the Court thinks just; or
 - (c) Interest otherwise payable at common law.
- (10) Further or other relief;
- (11) Costs.



Signed by Johnstone Law
Attorneys for the Plaintiff

25 February 2025

THIS **STATEMENT OF CLAIM** was issued by Johnstone Law whose address for service is Unit 9, Tropic Centre, 18 Earth Close, George Town, Grand Cayman, Cayman Islands.