

**UNITED STATES DISTRICT COURT**  
**FOR THE NORTHERN DISTRICT OF CALIFORNIA**  
**OAKLAND DIVISION**

JON HOLLAND and ASTLEY DAVY,  
Individually and on Behalf of All Others Similarly  
Situated,

Plaintiffs,

v.

PARAGON COIN, INC., JESSICA VERSTEEG,  
EGOR LAVROV, BLACK RABBIT  
HOLDINGS, EUGENE “CHUCK” BOGORAD,  
ALEX EMELICHEV, GARETH RHODES,  
VADYM KURYLOVICH, AND JAYCEON  
TERRELL TAYLOR A/K/A “THE GAME”,

Defendants.

Case No. 4:18-cv-00671-JSW

**NOTICE OF CLASS CERTIFICATION**

**If You Bought PRG Tokens related to Paragon Coin, Inc.,**  
**You May Be A Member of a Certified Class**

*A court authorized this Notice. This is not a solicitation from a lawyer. You are not being sued.*

- A class action lawsuit is pending in the United States District Court for the Northern District of California (the “Court”) against Paragon Coin, Inc., Jessica VerSteeg, Egor Lavrov, Black Rabbit Holdings, Vadym Kurylovich, Eugene Chuck Bogorad, Alex Emelichev, Gareth Rhodes, and Jayceon Terrell Taylor, aka “The Game” (collectively, “Defendants”). The lawsuit alleges that Defendants violated U.S. securities laws by unlawfully offering the sale of unregistered PRG securities, by misrepresenting the true nature of Paragon Coin, Inc. and PRG, and by artificially propping up the value of PRG through manipulative trading efforts.
- The Court decided that this lawsuit should proceed as a class action on behalf of a group of people and entities that may include you. The Class consists of all persons or entities who purchased PRG tokens during the period from August 15, 2017 through October 15, 2017, inclusive.

**YOUR RIGHTS AND OPTIONS IN THIS LAWSUIT**

*Do Nothing*

**Stay in the lawsuit. Await the Outcome. Share  
in possible benefits.  
Give up certain rights.**

	<p>By doing nothing, you are choosing to stay in the Class. You will be permitted to share in any recovery that may result from this Class Action, but you will give up your rights to sue the Defendants in a separate lawsuit for the claims made in this class action. In addition, you will be bound by past and any future court rulings on, or settlement of, the claims against the Defendants.</p>
<p><b><i>Ask to be Excluded</i></b></p>	<p><b>Get out of this lawsuit. Get no benefits. Keep your rights.</b></p> <p>If you opt out of the Class (meaning you state in writing that you do not want to be included in this lawsuit), you will not be entitled to any recovery that may result from this Class Action and you will not be bound by any past or future rulings in this lawsuit. You will be free to pursue your own claims against the Defendants on your own or as part of a different lawsuit.</p>

**THESE RIGHTS AND OPTIONS  
 – AND THE DEADLINES TO EXERCISE THEM –  
 ARE EXPLAINED IN THIS NOTICE**

**BASIC INFORMATION ABOUT THE LAWSUIT**

**1. Why is this Notice being published?**

If you purchased PRG Tokens between August 15, 2017 and October 15, 2017, you have legal rights and options that you may exercise. Judge Jeffery S. White in the Northern District of California is overseeing this class action. The case is known as *Davy v. Paragon Coin, Inc., et al*, Case No. 4:18-cv-00671-JSW (the “Action” or “Lawsuit”).

**2. What is this Action about?**

This lawsuit alleges that between August 15, 2017 through October 15, 2017 (the “Class Period”), Defendants violated the federal securities laws by engaging in an unlawful sale of unregistered securities and making false statements in connection with those sales. The alleged scheme included (1) the Defendants unlawfully offering the sale of unregistered PRG securities through Paragon’s Initial Coin Offering, (2) the Defendants making numerous untrue statements which falsely misrepresented the nature of Paragon Coin, Inc. and PRG in the promotion of the Paragon Coin Initial Coin Offering, and (3) the Defendants wrongfully propping up the value of PRG through manipulative trading efforts.

**3. What is a class action?**

In a class action lawsuit, one or more “Class Representatives” (in this case, John Holland and Astley Davy), sue defendants on behalf of themselves and others who have similar claims. These

people and entities together are called a “Class” or “Class Members.” One court resolves the issues for all Class Members except for those who choose to exclude themselves.

**4. What has happened in the Action and what is the current status of the lawsuit?**

On January 30, 2018, the first Complaint in this Action was filed, initiating this Action against the Defendants. Due to the failure of the various Defendants in this Lawsuit to appear in this litigation, they have “defaulted,” which means their ability to participate in and defend themselves in this Action is highly limited. Specifically, the Clerk of the Court entered default for failure to appear against: (i) Defendant Taylor on September 26, 2018 (ECF No. 73); (ii) Defendants Paragon, VerSteeg, Lavrov, Bogorad, Emelichev, and Rhodes on January 21, 2020 (ECF No. 141); and (iii) Defendants Black Rabbit and Kurylovich on March 13, 2020 (ECF No. 152). After multiple rounds of briefing, on June 24, 2020, this Court certified this Action as a class action for violations of federal securities laws.

**5. What are the Class Representatives asking for?**

The Class Representatives are asking for money to compensate Class Members for damages caused by Defendants’ conduct, as well as pre-judgment and post-judgment interest and their reasonable attorneys’ fees and costs. In addition to monetary remuneration and penalties, the Class Representatives are asking this Court to enjoin Defendants from making further transfers or dissipations of the investments raised on connection with the Paragon ICO (or using those funds in further purchases or transactions), requiring an accounting of the remaining funds and assets raised from Plaintiffs and the Class in connection with the Paragon ICO, and imposing a constructive trust over the funds and assets rightfully belonging to Plaintiffs and the Class. The Class Representatives are also asking this Court to declare that Defendants offered and sold unregistered securities in violation of federal securities laws.

**6. Is there any money available now?**

No. If the Class receives any money, whether from a settlement with a defendant or through the enforcement of a judgment, you will receive additional notice.

**DETERMINING IF YOU ARE A MEMBER OF THE CLASS**

**7. How do I know if I am a Class Member?**

You are a member of the Class if you purchased PRG Tokens during the period from August 15, 2017 through October 15, 2017, inclusive, unless you are specifically excluded as provided below.

**8. Are there exceptions to being included in the Class?**

Yes. Even if you otherwise would qualify as a Class Member, you are **NOT** a Class Member if you are: (i) a Defendant in this Action; (ii) a Defendant’s immediate family member; (iii) any person who was an officer or director of Paragon Coin, Inc., during the Class Period; (iv) any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest; or if you are (v) the legal representatives, affiliates, heirs, successors in-interest, or assigns of any such excluded person or entity.

**9. Are you still not sure if you’re included?**

If you are still not sure whether you are included in the Class, you can get free help by calling or writing to the Plaintiff's lawyers in this case at the phone numbers or addresses listed in response to question 16.

### **YOUR OPTIONS AS A CLASS MEMBER**

**10. What are my options as a Class Member at this point?**

You must decide whether to stay in the Class or opt out of the Class.

**11. What happens if I choose to stay in the Class?**

If you stay in the Class, you will be permitted to share in a recovery, if any, that may occur in this Action. But you give up any rights to sue the Defendants separately about the same legal claims in this lawsuit. You also will be legally bound by all of the Orders the Court issues and Judgments the Court makes in this class action, even if there is no recovery.

**12. How do I stay in the Class?**

You do not have to do anything at this time to stay in the Class.

**13. What happens if I opt out of the Class?**

If you opt out of the Class (by stating in writing that you do not want to be included in the Class in this Action), you will give up the right to participate in any recovery that may occur. But you will keep any rights you may currently have to sue the Defendants regarding the legal claims at issue in this lawsuit. You also will not be bound by the Orders the Court issues and Judgments the Court makes in this class action.

**14. How do I opt out of the Class?**

If you do not want to remain a member of the Class and wish to opt out, **you must send** a written "Request to Opt Out" to the Notice Administrator so it is received no later than **November 2, 2020**. Your written request must include:

- Your name, address, and telephone number;
- A statement confirming that you want to opt out of the Class;
- The number of PRG Tokens you purchased and sold during the Class Period; and
- The case name and number, "*Davy v. Paragon Coin, Inc., et al, Case No. 4:18-cv-00671-JSW.*"

Your request to Opt Out must be sent to the following address:

Paragon Coin Class Action  
c/o Levi & Korsinsky, LLP  
1101 30<sup>th</sup> Street, NW, Suite 115  
Washington, DC 20007

**15. What happens if I do not do anything?**

By doing nothing, you are choosing to stay in the Class. You don't have to do anything now if you want to stay in the Class. If you stay in the Class and the Class Representative obtains money

or benefits, you will be notified about how to apply for a share. Regardless of whether the plaintiff wins or loses at trial, you will not be able to sue, or continue to sue the Defendants—as part of any other lawsuit—about the same legal claims that are the subject of this Action. You will also be legally bound by all of the Orders the Court issues and Judgments the Court makes in this Action.

#### **THE LAWYERS REPRESENTING YOU**

**16. As a Class Member, do I have a lawyer representing my interests in this Class Action?**

Yes. The Court has appointed lawyers to represent the Class and the Class Members. These lawyers are called Class Counsel. The following lawyers are representing the Class:

<p><b>Donald J. Enright, Esq.</b> <b>LEVI &amp; KORSINSKY, LLP</b> 1101 30th Street, N.W., Suite 115 Washington, DC 20007 Telephone: (202) 524-4290 <a href="http://www.zlk.com">www.zlk.com</a></p>	<p><b>Eduard Korsinsky, Esq.</b> <b>LEVI &amp; KORSINSKY, LLP</b> 55 Broadway, 10th Floor New York, NY 10006 Telephone: (212) 363-7500 <a href="http://www.zlk.com">www.zlk.com</a></p>
<p><b>Rosemary M. Rivas, Esq.</b> <b>Rosanne L. Mah, Esq.</b> <b>LEVI &amp; KORSINSKY, LLP</b> 388 Market Street, Suite 1300 San Francisco, CA 94111 Telephone: (415) 373-1671 <a href="http://www.zlk.com">www.zlk.com</a></p>	

**17. How will the lawyers be compensated, and will the Class Representatives receive compensation?**

If recovery is obtained for the Class, Class Counsel will request that the Court grant an award of attorneys' fees and expenses to be paid from the recovery or by Defendants. Class Counsel may also ask the Court to approve reasonable incentive awards for the Class Representatives. If approved, these fees and expenses and incentive awards will either be paid from the recovery obtained for the Class or separately by the Defendants.

**18. Should I get my own lawyer?**

You do not need to hire your own lawyer. However, you are welcome to hire your own lawyer at your own expense. If you hire a lawyer to speak for you or to appear in Court, your lawyer must file a Notice of Appearance.

#### **GETTING MORE INFORMATION**

**19. Where do I get more information?**

Complete copies of the Court filings and rulings are available on <https://pacer.uscourts.gov/>, or by writing to Class Counsel at the Washington, DC address provided above.

*Please do not contact the Court or Judge White.*

Dated: August 14, 2020

BY ORDER OF THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA