The Voucher Program, Redemptions, and Use of Unredeemed Ada

Investigative Report and Forensic Audit
Conducted for Input Output Global, Inc.

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EXECUTIVE SUMMARY

This Investigative Report[1] presents the findings of an Investigation concerning the ada Voucher Program, redemptions of Vouchers, Cardano blockchain upgrades, and the use of ada associated with unredeemed Vouchers. At the request of Input Output, McDermott and BDO jointly conducted the Investigation.

Input Output engaged McDermott and BDO in May 2025 to conduct the Investigation. This Investigation documents certain milestone events and decisions in Cardano's 10 year history and investigates a series of public accusations made on social media alleging wrongdoing concerning the Topics of the Investigation. McDermott and BDO reviewed tens of thousands of documents, conducted a forensic on-chain and traditional forensic analysis, and completed eighteen formal interviews of current employees, former employees, Voucher Holders, service providers, community members, and other third parties.

Prior to Cardano's mainnet launch, Sawyers issued Vouchers for Attain to distribute to purchasers primarily based on Japan. From September 2015 until January 2017, Attain conducted five separate Tranches and distributed 14,402 Vouchers representing almost 26 billion ada. Purchasers received a Purchase Receipt, which they could use to create a Voucher Certificate. The Voucher Certificate contained a Redemption Code to claim ada upon the mainnet launch of Cardano in September 2017.

Cardano's first era, called the Byron era, launched in September 2017. During the Byron era, the three founding entities validated Cardano transactions and proposed and voted on upgrades with Genesis Keys. During this period, Voucher Holders redeemed nearly 99% of ada from the Voucher Program on-chain using Daedalus. As Cardano progressed towards decentralization, the

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[1] Capitalized terms used herein are defined in the Glossary section.

Shelley Upgrade allowed individual nodes to operate as SPOs and allowed ada holders to delegate to SPOs. When the Shelley Upgrade occurred, Voucher redemptions were paused. Therefore, during the Allegra Upgrade, the remaining unredeemed ada was "swept" into the Reserve to implement a manual, off-chain redemption process.

To fund the costly process of locating and redeeming the remaining 390 Vouchers, Sawyers staked 318,200,560 unredeemed ada with Wave and used the staking rewards to pay employees and service providers (including private investigators and lawyers). After multiple years of on the ground efforts in Japan, Sawyers rightfully sent 68,258,338 ada, which was a portion of the remaining unredeemed ada, to CDH, a Cayman trust.

In connection with Cardano's transition towards decentralized on-chain governance, Intersect used the ada transferred to CDH to support the Cardano ecosystem and to provide an initial bootstrapping budget for Intersect. Of this ada, 24,150,000 ada was subsequently transferred from CDH to IOI pursuant to the IOI MSA. The invoices for the contracts contained milestone completion reports, timesheets, and public GitHub links for Cardano upgrades for Plutus and Conway. The evidence shows that Input Output acted with transparency and created structured safeguards to ensure manual redemptions and responsible governance of funds.

The public accusations included five principle allegations: (1) Cardano insiders stole or otherwise misused ada that should have been allocated to Voucher Holders; (2) improper sales tactics were used in connection with the Voucher Program; (3) Cardano blockchain upgrades were designed to make it difficult to redeem Vouchers; (4) Cardano blockchain upgrades deleted Voucher Holders' "private keys" or assets; and (5) that Cardano insiders had no legal right to send unredeemed ada to CDH and decide how to spend it.

The Investigation determined that each of the allegations related to the Topics of Investigation do not have any basis. Based on the Investigation, we have reached the following conclusions:

1. **The sources of the public allegations against Input Output and Hoskinson are not from unredeemed Voucher Holders.** Additionally, we are not aware of any pending lawsuits or regulatory actions concerning Voucher redemptions. We also did not identify evidence indicating that Input Output or Sawyers turned away any potential Voucher Holder who possessed a valid Voucher.

2. **Throughout the Voucher Program's original sale, reasonable guardrails were put in place to prevent deceptive sales tactics.** Reasonable efforts were implemented to prevent deceptive marketing and sales tactics. For example, the Voucher Program contained specific marketing terms and conditions which prohibited deceptive marketing tactics, including a prohibition on any representations regarding the value of ada. There were at least nineteen (19) instances where distributors were accused of violating those marketing restrictions and, after further investigation, seventeen (17) were eventually suspended by Attain.

3. **The Voucher Program was not designed to exploit the elderly.** The Voucher Program does not appear to have been designed to target elderly individuals. Only ~6% of Vouchers were sold to participants over the age of 65 and ~94% of participants in the Voucher Program were under the age of 64. Following public allegations concerning targeting the elderly in certain sale tranches, efforts were made to contact and offer refunds to Voucher Holders over the age of 65. In addition, as of the publication date of this Investigative Report, of the total remaining unredeemed Voucher Holders there are only 13 (12%) individual Voucher Holders over the age of 65.

4. **A large portion of Vouchers were redeemed on-chain.** During the Byron era, 97.3% of all Vouchers were redeemed on-chain which accounted for 98.8% of the ada allocated to the Voucher Program. Only 2.7% of Vouchers remained unredeemed at the end of the Byron era.

Vouchers Redeemed During Byron Era (on-chain)				
Activity	Vouchers	% of Vouchers	Ada Amount	% of Ada Amount
Redeemed on-chain	14,012	97.3%	25,608,869,978	98.8%
Unredeemed at end of Byron era	390	**2.7%**	318,200,560	**1.2%**
Total Voucher Program Distribution	14,402		25,927,070,538	

5.   **During the Byron era, substantial efforts were undertaken to cause Voucher Holders to redeem on-chain through Daedalus.** After Cardano mainnet launched in September 2017, Voucher Holders were able to execute automated redemptions through a digital wallet called Daedalus. Significant efforts were undertaken to identify and educate Voucher Holders concerning how to redeem. These efforts included in-person seminars organized by Input Output throughout Japan, called the "Help Desk Tour." Over a period of two weeks in late September until October 2017, the Help Desk Tour visited five Japanese cities (Tokyo, Osaka, Nagoya, Hiroshima, and Fukuoka). During these sessions, Voucher Holders brought their laptops and walked through a step-by-step process on how to redeem.

6.   **Voucher Certificates contained Redemption Codes, not "Private Keys," that conferred the ability to control, transact, and restore a particular digital wallet.** The public accusations that Voucher Holders initially received cryptographic private keys which were later deleted are false. Voucher Holders were provided with a Redemption Code, which could be used for an automated redemption of the Voucher to receive ada during the Byron era through a digital wallet. The Redemption Code is not and never was a traditional cryptographic private key. A private key can be used to send and receive cryptocurrency and can be recreated by a recovery or seed phrase to restore a wallet multiple times, which are aspects the Redemption Code could not accomplish. The confusion about the Redemption Code appears to have come from incorrect English translations of Japanese terms and conditions and other disclosures. For example, the language used in the Japanese terms that were actually provided to the Voucher Holders in Tranche 1 refers to a "password" and not a "private key." Those same terms were later translated to English by a sales organization, which errantly translated the Japanese word for "password" to "private key." We obtained an independent certified translator who confirmed that the original Japanese version for Tranche 1 used the term "password" and that the English version errantly translated that word to "private key." Each witness with knowledge of the cryptography associated with the Voucher Program uniformly confirmed that the Vouchers did not contain a traditional "private key." Instead, Voucher Holders were provided with a Purchase Receipt that permitted them to access the AVVM, which then generated a Redemption Code that the Voucher Holder could use to redeem ada using Daedalus.

7. **The Shelley Upgrade eliminated the automated functionality of the Redemption Codes, but Voucher Holders did not lose the right to redeem Vouchers.** When the Shelley Upgrade occurred, automated redemptions were no longer available. Following the Shelley Upgrade on July 29, 2020, Voucher Holders had to redeem through a manual process. However, from July 2020 to November 2021, all forms of redemptions were paused while the manual redemption process was being constructed and therefore there was a period where no redemption occurred. A manual redemption process commenced in November 2021 and is still underway as of the date of this Investigative Report.

8. **To fund the manual redemption process (called the Post-Sweep Redemption Project), Sawyers staked the unredeemed ada with Wave. The staking rewards were not misappropriated by any Cardano insiders.** In October 2021, Sawyers sent the remaining unredeemed ada to Wave. Wave managed those assets to generate low-risk staking rewards. BDO's review concluded that the staking rewards were primarily used to pay external vendors (i.e., PIs and customer service consultants) and outsourced staffing costs pursuant to the Post-Sweep Redemption Project. Voucher Holders do not appear to have been entitled to staking rewards. Notably, staking did not exist when the Vouchers were sold and the Voucher Program terms did not include a right to any future staking rewards.

9. **Beginning in December 2021, significant efforts were undertaken to locate and redeem remaining Voucher Holders.** Sawyers set up a dedicated project team in 2021 to locate, identify, and manually process claims from unredeemed Voucher Holders. Sawyers hired multiple consultants, including lawyers, private investigators, KYC specialists, and customer support personnel to begin a multi-year project. Sawyers and its consultants collectively sent 4,269 emails, mailed 872 letters or welcome boxes, made 3,235 calls, conducted 402 site visits through PIs, and successfully redeemed 246 Voucher Holders.[2]

10. **As of August 15, 2025, 99.2% of Vouchers consisting of 99.7% of all ada sold pursuant to the Voucher Program have been redeemed through the on-chain redemptions and Post-Sweep Redemption Project.** For the Post-Sweep Redemption Project, Wave processed the test and final redemption transactions and successfully redeemed Voucher Holders received the full amount of ada purchased from the Voucher Program. This process is still ongoing through Sawyers' efforts.

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[2] Based on data as of April 28, 2025, from the "Consolidated logbook.xlsx" workbook provided by Input Output, utilizing: RemixPoint Case Action Log, RemixPoint Support Log, ETS Risk Management Case Action Log, Lightning Communications Support Log, Island Hills Case Action Log, and TKI logbook. Outreach efforts were reviewed and categorized by method (Door to Door, Letter/welcome box, Phone Call/SMS, and Email), with result counts summarized.

As of August 15, 2025, Total Vouchers Redeemed (on-chain and Post-Sweep Redemption Project)				
Activity	Vouchers	% of Vouchers	Ada Amount	% of Ada Amount
Redeemed	14,282	99.2%	25,850,401,508	99.7%
Unredeemed	120	0.8%	76,669,030	0.3%
Total Voucher Program Distribution	**14,402**		**25,927,070,538**	

11. **Voucher Holders seeking to redeem post-Shelley Upgrade were subject to substantial identity verification procedures, including the use of video and audio.** Certain Voucher Holders had to go through multiple attempts before completing these procedures. This caused some delays in redemptions but these verification procedures were implemented so Sawyers and its hired consultants could confirm the accuracy and completeness of the KYC information. Witnesses indicated that those procedures were not designed to dissuade redemptions.

12. **After years of efforts to identify remaining unredeemed Voucher Holders, 68,258,338 ada was transferred to CDH, a Cayman trust created for the Cardano ecosystem. This ada represented Voucher Holders who either waived their right to redeem or failed to engage despite the Post-Sweep Redemption Project efforts.** After multiple years of on the ground efforts in Japan, Sawyers rightfully sent a portion of the unredeemed ada to CDH. Sawyers held back certain ada because it appeared some unredeemed Voucher Holders were still participating in the redemption process or couldn't be reached. In connection with Cardano's transition towards decentralized on-chain governance, Intersect used the 68,258,338 ada transferred to CDH to support the Cardano ecosystem and to provide an initial bootstrapping budget for Intersect. BDO concluded that a large portion of the transferred ada was used to fund continuity contracts within the Cardano ecosystem, which were primarily executed by IOI and third-party vendors that had been retained by IOI. Of this ada, 24,150,000 ada was subsequently transferred from CDH to IOI pursuant to the IOI MSA. The invoices for the contracts contained milestone completion reports, timesheets, and GitHub links. Intersect's milestone reports concerning the work performed by IOI were made public.[3]

13. **Prior to the creation of Intersect, an initial roadmap for the launch of Intersect and for initial funding for ongoing support of Cardano was developed. This roadmap indicated that Intersect planned on utilizing a portion of these funds following the launch of Intersect for the IOI MSA to support key upcoming development milestones.** At the inaugural Intersect board meeting confirming the

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[3] *See* Intersect, 2024 *Milestone Completion Reports*, INTERSECTMBO.ORG (last updated 2024), *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/cardano-continuity/cardano-continuity-suppliers/cardano-continuity-reports/quarterly-reports

2024 budget, the board members approved an initial roadmap for the launch of Intersect and for initial funding for ongoing support of Cardano. Separately, IOG and EMURGO each provided bootstrap funding to Intersect from their own funds as founding members of Intersect. Part of the budget approval included the IOI MSA, which was voted on by one director who had resigned from Input Output that day and one director from EMURGO. The sole remaining director abstained from the vote because he was a current Input Output employee. In addition, the EMURGO board member abstained from the vote on the EMURGO continuity contract. Both recusals went above Intersect's conflict policy, which only required disclosure rather than mandatory recusal. Interviewees explained that Intersect granted the development contract to IOI because IOI had the necessary expertise, qualified engineers, and third-party relationships with vendors to execute the upcoming Cardano blockchain upgrades without significant delays or onboarding.

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GLOSSARY

Term	Definition
2019 Miami Meeting	Meeting in Miami, Florida during the 2019 IOHK Summit with Hoskinson, Wood, and the Foundation
ada	The native cryptocurrency of the Cardano blockchain
Allegra Upgrade	A December 16, 2020 upgrade to the Cardano blockchain
AML	Anti-Money Laundering
Atix Labs	Atix Labs SRL
Attain	Attain Corporation
AVVM	ada Virtual Vending Machine
BDO	BDO USA, P.C.
Blockchain Transaction Data	Transaction data or metadata on Cardano obtained from the Python programming language
BTC	Bitcoin
Byron era	The first era in Cardano development, named after the Romantic poet who was the father of Ada Lovelace
CDH	Cardano Development Holdings
Civics	Intersect's civics committee
Claimant Letters	The registered letters Remix sent to Claimants
Claimant	Unredeemed Voucher Holders (or their beneficiaries) following the Shelley Upgrade
Client Material	Reference data provided to Remix and others to verify KYC information
Daedalus	Daedalus wallet, a full-node wallet on the Cardano blockchain
ETS	ETS Risk Management, Inc., a PI firm hired for the Post-Sweep Redemption Project
Force Vend	The operation where the Voucher Certificate was automatically sent to a Voucher Holder's registered email address if the Regular Vend failed
Foundation	The Cardano Foundation
Genesis Block	The first block on the Cardano blockchain
Genesis Keys	Governance keys of the Cardano blockchain that were held and existed prior to the Voltaire era by the three founding entities (Input Output, Foundation, and EMURGO)

Term	Definition
Help Desk Tour	In-person seminars throughout Japan, where Voucher Holders could bring their laptops and walk through a step-by-step process on how to redeem
Home Visit	Certain locations stipulated by Sawyers that Lightning Communications visited to confirm whether certain individuals were alive or present
Hoskinson	Charles Hoskinson
IOI	Input Output Infrastructure Pte. Ltd.
IOI MSA	Master Services Agreement among CDH, IOI, and Intersect, dated December 8, 2023
Input Output	A research and engineering company and venture studio that builds blockchain and Web3 products to empower everyone, everywhere
Investigation	The investigation and forensic audit of the Investigative Report
Investigative Report	The findings of an investigation and forensic audit concerning the Cardano voucher program, pre-launch sales of Vouchers, Cardano blockchain upgrades, and the use of unredeemed Cardano tokens to stake pursuant to the Voucher Program
Island Hill or IH	Island Hills Co. Ltd., a PI firm hired for the Post-Sweep Redemption Project
ITN	Incentivized testnet
IOG	Input Output Global, Inc., now known as Input Output
IOHK	Input Output Hong Kong - an engineering company that builds blockchain solutions for businesses, governments, and academia, co-founded by Hoskinson and Wood in early 2015; now known as Input Output
JPY	Japanese Yen
KYC	Know Your Customer
Lightning Communications	Lightning Communications Inc., a Tokyo-based strategic communications firm
Lightning Service Agreement	An agreement Sawyers entered into with Lightning Communications on August 18, 2022
Masato	Alexander Masato
MBO	Member based organization
MCC	Intersect's membership and community committee
McDermott	McDermott Will & Schulte LLP (f/k/a McDermott Will & Emery LLP)

Term	Definition
MIR	Move Instantaneous Reward
MLM	Multi-level marketing scheme
Orange & Bronze	Software development company contracted to create KYC software for Post-Sweep Redemption Project
Order Form	An order form that set forth the specific terms of purchase for each Tranche
Ouroboros	A family of Cardano's consensus protocols, including different types: Classic, Praos, Genesis, Chronos
Paper Vend	The operation where if the Voucher Certificate could not be delivered to a Voucher Holder's registered email address, a printed copy was sent by mail to the Voucher Holder's registered mailing address on file
PI	Private investigator
PII	Personal identifiable information
Post-Sweep Redemption Project	A manual and off-chain project specifically tasked with investigating, locating, and redeeming all 390 unredeemed Vouchers following the Shelley Upgrade
Privacy Policy	Privacy policies of the Voucher Program
Purchase Receipt	Proof users received in their email address after payment of Voucher
Recovery Service	A service a Voucher Holder could sign up for during the AVVM process to reverify their KYC and recover their Voucher Certificates
Redemption Code	A code in the Voucher Certificate needed to claim ada upon the Cardano mainnet launch
Regular Vend	The operation of inputting data into the AVVM to receive a Voucher Certificate
RemixPoint	RemixPoint Inc.
RemixPoint Services Agreement	A Services Agreement between Remix and Input Output entered into on February 15th, 2022
Reserve	The difference between the maximum supply of ada and the circulating supply of ada.
Risk Disclosure	Risk disclosures of the Voucher Program
Roadmap	Cardano's step-by-step evolution of eras and upgrades found at https://roadmap.cardano.org/en/
RSCoin	The RSCoin blockchain
Sales App	Sales application for the Voucher Program

Term	Definition
Sawyers	Sawyers Holdings Limited
Sawyers Redemption Wallet	A Cardano wallet operated by Input Output on behalf of Sawyers to maintain unredeemed Voucher balances (located at addr1q8mzqkspeyw8wcjhu0scwcdwsww4hjpcgevaz0gqkdjc7zx06qzc6k wj6sr5lma7l9kt94dzn5ah4qts2vccs6k4gjssd7pall)
Serokell	Serokell OU
Shelley Upgrade	An upgrade to the Cardano blockchain on July 29, 2020 that ushered in the second era in Cardano development, named after Percy Shelley (not Mary), one of the major English Romantic poets and a key figure in the Romantic movement
SOW 1	A Statement of Work between Lightning Communications and Sawyers entered into under the Lightning Service Agreement on January 23, 2023
SOW 2	A Statement of Work between Lightning Communications and Sawyers entered into under the Lightning Service Agreement on July 23, 2023
SPO	Staking Pool Operators
SSA	Security Services Consulting Agreement with ETS
Subscription Agreement	The agreement Sawyers entered into with the Vehicle
TGE	Token Generation Event
Topics of Investigation	The Cardano voucher program, pre-launch sales of Vouchers, Cardano blockchain upgrades, the use of unredeemed Cardano tokens to stake pursuant to the Voucher Program, and the transfer of unredeemed ada to CDH and the use of unredeemed ada tokens by CDH (including funding to Intersect and IOI)
Tranche	The multiple segments in which the Voucher Program was separated
Transfer Notice	The executed documents sent from Sawyers to Wave concerning redemption transactions from the Vehicle
TSC	Technical Steering Committee at Intersect
User Policy	User policies of the Voucher Program
Vehicle	Wave's SME 632 Ltd.
Voucher	The right to claim ada pursuant to the Vouchers that were purchased pursuant to the Voucher Program (not the ada itself)
Voucher Certificate	A document that Voucher Holders generated in the AVVM process throughout March 2017 (or received via email or paper mail if Force Vend or Paper Vend, respectively)
Voucher Holder	A purchaser of a Voucher

Term	Definition
Voucher Program	A sale that enabled Voucher Holders to claim ada upon the launch of the Cardano mainnet
Wave	Wave Digital Assets LLC
Wood	Jeremy Wood
Yoroi	Yoroi wallet, a light-wallet on Cardano

I. METHODOLOGY AND SCOPE

At the request of Input Output, McDermott and BDO jointly conducted the Investigation from May 2025 through August 2025. The Investigation team reviewed tens of thousands of internal documents and emails, including agreements, technical specifications, marketing materials, compliance records, email communications, and financial summaries. Specifically, the Investigation included the following steps, procedures, and methodologies:

1. ***Input Output Document Collection***. McDermott and BDO oversaw the collection of millions of documents from Input Output's Google Vault. To facilitate this process, BDO collaborated closely with an IT manager at Input Output. The IT manager at Input Output executed the data collection directly. BDO implemented the following steps to search for and export the relevant data: (A) the IT manager at Input Output initiated an export within Google Vault using the relevant search terms associated with the Investigation; (B) the IT manager at Input Output systematically applied the search terms to a predefined list of targeted custodians to ensure comprehensive coverage; (C) the IT manager at Input Output exported the resulting search data in MBOX format, which is commonly used for storing mailbox content; and (D) the IT manager at Input Output exported the MBOX files and securely transmitted them to McDermott for storage, legal review, and further processing. McDermott and BDO then conducted targeted searches of this database and reviewed tens of thousands of relevant documents.

2. ***Third-Party Document Collection and Review***. McDermott and BDO also collected, through informal requests and cooperation, hundreds of documents from Intersect and Wave, including financial data.

3. ***Public Domain Document Review***. McDermott and BDO reviewed documents and social media posts in the public domain.

4. ***Financial Data Review***. McDermott and BDO analyzed financial information and data concerning the Voucher Program and certain allocations of ada.

5. ***Interviews with Key Personnel and Entities***. McDermott and BDO conducted eighteen interviews with key personnel and entities, including current employees, former employees, Voucher Holders, service providers, community members, and other third parties. McDermott and BDO conducted the interviews in confidence and pursuant to *Upjohn* for Input Output employees, *Kovel* letters for consultants, and NDAs for the remaining interviewees.

6. ***On-Chain Tracing***. BDO conducted forensic tracing of flows of ada involved in the Voucher Program and subsequent allocations of ada, including on-chain tracing of funds and other assets owned by CDH and administered by Intersect.

7. ***Blockchain Data Extraction***. Throughout the course of this Investigation, BDO utilized standard methods for extracting data from the public blockchain ledgers for Cardano and Bitcoin to trace thousands of transactions on-chain. For Cardano blockchain data extraction, BDO used the Blockfrost API and AdaStat, tools recommended by Input Output's development team.[4] Blockfrost is an API as a service allowing users to make programmatic API calls to retrieve Cardano blockchain data by passing parameters, such as a transaction hash identifier. AdaStat is a public blockchain explorer built for the Cardano blockchain and allows quick reference to blockchain data. For Bitcoin, BDO used the Blockchain.com API.[5] BDO also leveraged Qlue[6] by the Blockchain Investigation Group and TRM Labs[7] to both visualize the flow of funds and perform bulk Bitcoin blockchain data extraction. BDO developed a shell script to interact with Blockfrost API. The shell script consisted of (1) a fetching script used to retrieve data from the Blockfrost API; and (2) using Linux core utilities to write the retrieved JSON data to the file system.

8. McDermott and BDO did not have the authority to compel testimony or the production of documents, and relied instead on the cooperation of Input Output and various other entities and individuals.

9. The Investigative Report does not meet the standard for attestation under the AICPA. This is a forensic audit, not a financial statement audit. Please note that a forensic audit is not an audit of financial statements, but rather an investigative engagement conducted in accordance with consulting services standards, aimed at uncovering facts and providing insights into specific transactions or processes.

10. This Investigative Report does not contain an opinion concerning the financial viability of ada or the Cardano blockchain generally. Third parties are prohibited from relying on this Investigative Report in connection with any ada or Cardano blockchain related transactions.

11. The conclusions presented in this Investigative Report are based on the data, facts, and information available as of the date of this Investigative Report, or otherwise indicated. These conclusions may be subject to revision should additional information become available, whether through subsequent disclosures, public sources, or materials provided by Input Output or related entities. If there is relevant information that was not disclosed or that McDermott or BDO are

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[4]   *See* Blockfrost, *Homepage*, BLOCKFROST.IO (last visited August 1, 2025), *available at* Blockfrost.io - Cardano API; See ADAStat, *Homepage*, ADASTAT.NET (last visited August 1, 2025), *available at* Adastat.net.
[5]   *See* Blockchain.com, *Blockchain Data API*, BLOCKHAIN.COM (last visited August 1, 2025), *available at* https://www.blockchain.com/explorer/api/blockchain_api.
[6]   *See* Qlue, *Homepage*, QLUE.IO (last visited August 1, 2025), *available at* https://qlue.io/.
[7]   *See* TRM Labs, *Homepage*, TRMLABS.COM (last visited August 1, 2025), *available at* https://www.trmlabs.com/. TRM Labs is a blockchain intelligence and cryptocurrency compliance solutions company, which provides tools and services to help organizations investigate on-chain activities.

otherwise unaware of, it could significantly alter the findings in this Investigative Report.

12.   While Input Output may make this Investigative Report publicly available, this Investigative Report is prepared solely for Input Output.

II.   ORIGINS AND EVOLUTION OF THE CARDANO BLOCKCHAIN

Cardano is an open-source Layer 1 blockchain protocol created by Hoskinson, Wood, and others. Before working on Cardano, Hoskinson and Wood worked on Ethereum in 2013 and 2014, where Hoskinson was a co-founder and CEO. Wood worked at Ethereum as a former executive assistant. In June 2014, Hoskinson left Ethereum due to differences in ideology on initial funding.

In early 2015, Hoskinson and Wood co-founded and incorporated Input Output, an engineering company that builds blockchain solutions for businesses, governments, and academia.[8] That year, Japanese business coordinators approached Input Output with a new business proposal to build a blockchain that would function as a smart contract platform. Input Output agreed to develop it. The original name was called Cardano Gaming Protocol, and as of June 2015, the aim was to enable game development resistant to censorship and to provide peer-to-peer gaming technology leveraging efficient decentralized mechanisms.[9] Eventually, those ideas led to Cardano's Roadmap. Input Output, the Foundation, EMURGO, Attain, Sawyers, and others all collaborated and played a role in the launch of Cardano.

When Cardano was first launched in 2017, Input Output published a Roadmap of the future eras of Cardano.[10] Hoskinson's October 26, 2017 whiteboard session discussed many of these Roadmap items when introducing Cardano and its key features.[11] In total, there are five eras of

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[8]   *See* Certificate of Incorporation of Input Output HK Limited (March 11, 2015) (REVIOGC0011-00101132).
[9]   *See* Cardano Brand Development Document V0.1 (June 29, 2015) (REVIOGC0011-00096908).
[10]   *See* Cardano, *What is Cardano?,* CARDANO ROADMAP (n.d.) (last accessed August 1, 2025), *available at* https://roadmap.cardano.org/en/.
[11]   *See* IOHK, *Cardano whiteboard; overview with Charles Hoskinson*, YOUTUBE (October 26, 2017), *available at* https://www.youtube.com/watch?v=Ja9D0kpksxw.

Cardano throughout its history: Byron, Shelley, Gougen, Basho, and Voltaire, with each introducing new technological features and greater decentralization.[12] From the outset, Cardano publicly disclosed its Roadmap of eras and the relevant upgrades in each era, with a goal towards Cardano's progression from a founder-driven ecosystem to a community-governed ecosystem. Each Cardano era centered around a set of functionalities that was delivered across multiple code release upgrades, as explained below.

- Shelley Upgrade initiated on July 29, 2020, which introduced a new economic system including staking.[13]
- Allegra Upgrade initiated on December 16, 2020, which added token locking capabilities to later support smart contracts.[14]
- Mary upgrade initiated on March 1, 2021, which introduced NFTs and multi asset support.[15]
- Alonzo upgrade initiated September 12, 2021, which enabled smart contract support.[16]
- Vasil upgrade initiated on September 22, 2022, which improved scaling and performance and marking the start of the Babbage Era.[17]
- Valentine upgrade initiated on February 14, 2023, which enhanced smart contract and network performance.[18]
- Chang upgrade initiated on September 1, 2024, which deployed the first batch of decentralized governance features.[19]

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[12] *See* Cardano, *What is Cardano?,* CARDANO ROADMAP (n.d.) (last visited August 1, 2025), *available at* https://roadmap.cardano.org/en/.

[13] *See Block: 4490511* (first block of the Shelley era), ADASTAT.NET (July 29, 2020), *available at* https://adastat.net/blocks/aa83acbf5904c0edfe4d79b3689d3d00fcfc553cf360fd2229b98d464c28e9de.

[14] *See Block: 5086524* (first block of the Allegra), ADASTAT.NET (December 16, 2020), *available at* https://adastat.net/blocks/078d102d0247463f91eef69fc77f3fbbf120f3118e68cd5e6a493c15446dbf8c.

[15] *See Transaction Details*, CARDANOSCAN (February 24, 2021), *available at* https://cardanoscan.io/transaction/b7f5658a5aabced7f8599cf7bf7cb9d6f730b865a5a0430f2dc7488caf25752e; *see Block: 5406747* (first block of the Mary era), ADASTAT.NET (March 1, 2021), *available at* https://adastat.net/blocks/a650a3f398ba4a9427ec8c293e9f7156d81fd2f7ca849014d8d2c1156c359b3a.

[16] *See Block: 6236060* (first block of the Alonzo era), ADASTAT.NET (September 12, 2021), *available at* https://adastat.net/blocks/8959c0323b94cc670afe44222ab8b4e72cfcad3b5ab665f334bbe642dc6e9ef4.

[17] *See Block: 7791699* (first block of the Babbage era), ADASTAT.NET (September 9, 2022), *available at* https://adastat.net/blocks/eea1247726ababb0b15ef7068b6917ceb6ebe3021c40fe44608585bba44e24b6.

[18] *See Transaction Details*, CARDANOSCAN (February 9, 2023), *available at* https://cardanoscan.io/transaction/a83f479c5635e1e563a19f6e72a1be59fb082bbf31de90cc176850ee799b08ac; *See Transaction Details*, CARDANOSCAN (February 9, 2023), *available at* https://cardanoscan.io/transaction/62c3c13187423c47f629e6187f36fbd61a9ba1d05d101588340cfbfdf47b22d2.

[19] *See Transaction Details,* CARDANOSCAN (August 28, 2024), *available at* https://cardanoscan.io/transaction/4e377ceb5c5721257a3d7960f3053468bbea45ed8ac22cd559c69e757da5e0ae; *See Block: 10781331* (first block of the Conway era), ADASTAT.NET (September 1, 2024), *available at* https://adastat.net/blocks/9aa420cf998dbcceec1abaf83ab26294d278d25527e779050ab334c1fadab16c.

- Plomin upgrade initiated on January 29, 2025, which introduced the second batch of on-chain governance features.[20]

In the Byron and Shelley eras, the three founding entities (Input Output, the Foundation, and EMURGO) approved governance actions of the Cardano blockchain using the Genesis Keys. Seven Genesis Keys were distributed as follows: three to Input Output, two to the Foundation, and two to EMURGO. During these eras, the approval of any governance action on the Cardano blockchain required signature of five out of the seven Genesis Keys. Although Input Output only held its own Genesis Keys, during certain times, the Foundation and EMURGO delegated their authority to Input Output to use all seven delegate keys when executing required Cardano upgrades.[21] The Foundation's delegation ended in July 2022. At that time, going forward, Input Output voted on Cardano upgrades using five keys (three from Input Output and two from EMURGO). In all upgrade decisions after July 2022, the Foundation agreed with the actions taken and consistently voted in favor of the upgrades using its two keys.

III. VOUCHER PROGRAM

To fund the research and development of the Cardano blockchain, Sawyers sold Vouchers to Attain between October 2015 and January 2017 that enabled Voucher purchasers to claim ada upon the launch of the Cardano mainnet. The sale of Vouchers was conducted in multiple parts (called Tranches) and in Asia, primarily in Japan. Sawyers contracted with Attain, a Japanese company, for distribution of the Vouchers to individuals.[22] Attain used its network in Japan to market and educate the Japanese public about Cardano and the Voucher Program.[23]

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[20] *See Transaction Details*, CARDANOSCAN (Dec 21, 2024), *available at* https://cardanoscan.io/transaction/0b19476e40bbbb5e1e8ce153523762e2b6859e7ecacbaf06eae0ee6a447e79b9; *see Block: 11416646* (first block of the Plomin era), ADASTAT.NET (January 29, 2025), *available at* https://adastat.net/blocks/d107fce1d682c3ac3cc9ad5b5acdbcfb4130098c1a7edb0cba95ec259bc622b9.
[21] Interview of Input Output Engineer 1 (July 8, 2025).
[22] *See* ADA Voucher Master Distribution Agreement (entered November 23, 2016) (REVIOGC0011-00000001).
[23] *Id*.

To market the Voucher sale, Attain created an online website, videos and distributed printed brochures and handouts to the Japanese public. Prospective purchasers also joined in-person seminars to understand the details of the Cardano blockchain and the Voucher Program.[24] Attain also discussed at the seminars the customer agreements and disclosures associated with the Voucher Program, including risks associated with cryptocurrency.

A. Attain Distributed the Vouchers

Sawyers issued the Vouchers, Attain purchased the Vouchers, and Attain distributed the Vouchers. A September 14, 2015 Master Distribution Agreement contains the terms of Attain's purchase of Vouchers and distribution requirements.[25] Specifically, the Master Distribution Agreement contains the following key terms:[26]

- Attain was "able to purchase the [ada] Vouchers" that were "supplied for resale and not for own investments and/or trading."
- Attain had to "appoint [s]ub-[s]ellers for the distribution of the [ada] Vouchers."
- The territory designated for the sale of the Vouchers "cannot include the United States."
- The "price that the Seller will be able to purchase the [ada] Vouchers will be set out in the [Order] Form."
- Attain was "required to institute compliance and Anti-Money Laundering controls."
- Attain must "ensure that in any sale of the [ada] Vouchers by itself or its [s]ub-[s]ellers to the [u]sers, the [t]erms and the [c]onditions are acknowledged and agreed to by [s]ub-[s]ellers and the [u]sers and that [ada] Vouchers are not mis-sold in any way."
- Attain must ensure that "[o]nly marketing materials approved by [Sawyers] shall be used in communications" and "all marketing materials shall strictly adhere to the [t]erms and [c]onditions."

Attain recruited distributors by advertising on websites as well as holding in-person meetings and seminars by higher-tier distributors. Distributors filled out an online enrollment form and submitted information for Attain's compliance checks, including PII verification with a

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24 *Id.*
25 *See* ADA Voucher Master Distribution Agreement (November 23, 2016) (REVIOGC0011-00000001).
26 *Id.*

photograph of themselves holding the form of identification.[27] Distributors then received referral

links to use for prospective purchasers and to track their commission-based compensations.[28]

Attain also described the commission system for distributors and how distributors earned

commissions and how such commissions were calculated.[29] Under the contract, Attain was

responsible for "monitor[ing] incentives provided to the [s]ub-[s]ellers and ensure that such

schemes do not lead to misconduct and/or miscommunication by the [s]ub-[s]ellers or otherwise

violate the [t]erms and [c]onditions."[30] Distributors did not have to pay to enroll and only received

commissions from successful Voucher purchases.

B.   Guardrails Put in Place to Avoid Improper Sales Tactics

Certain public accusations in May 2025 targeted Cardano and Hoskinson for operating an

MLM scheme that exploited vulnerable populations such as the elderly. One accuser was Masato,

who made numerous X (formerly Twitter) posts concerning the Voucher Program and redemption

efforts. In one post, Masato wrote, "it appeared that many of [Voucher Holders] were elderly—a

category often targeted for scams and fraud. . . . [S]omeone should protect those elderly from being

targeted by scams and fraud."[31] Later, Masato wrote, "[C]harles' engineers (and legal team) have

come forward claiming they needed to act to protect elderly participants, who somehow were able

to purchase ADA (sold via MLM [emoji]) but not claim it."[32] Based on our Investigation,

including interviews with multiple individuals, these allegations do not have any basis.

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[27]   *See* Attain Corporation Co. (attainweb), *SalesApp: Master Docs*, GITHUB (last updated July 24, 2017), *available at* https://github.com/attainweb/SalesApp/tree/master/docs.
[28]   *Id*.
[29]   *Id*.
[30]   *See* ADA Voucher Master Distribution Agreement (November 23, 2016) (REVIOGC0011-00000001).
[31]   *See*   @masatoalexander,   X.COM   (May   18,   2025),   *available   at* https://x.com/masatoalexander/status/1923999138934337963.
[32]   *See*   @masatoalexander,   X.COM   (July   2,   2025),   *available   at* https://x.com/masatoalexander/status/1940461447114539489.

The Voucher Program did not appear to implement fraudulent practices common to other Japanese MLM tactics, such as luring participants to seminars under the guise that the seminar is a language exchange program.[33] For example, Hoskinson explained in substance that the Voucher Program was "very different from an MLM" and more similar to the many network sales environments that exist in Japan.[34] Hoskinson further explained that in an MLM scam, the "revenue comes from getting others to pay to join the network," whereas here, "[distributors] only made money when they sold [Vouchers]."[35] Hoskinson's position is supported by contemporaneous documentation, including the Master Distribution Agreement, which reflects that Attain "shall monitor incentives provided to the [distributors] and ensure such schemes do not lead to misconduct and/or miscommunication by the [distributors] or otherwise violate the [t]erms and [c]onditions."[36]

Attain specifically informed the distributors that they could not make any unsupported marketing claims to prospective purchasers.[37] The distributors had separate terms and conditions they were required to comply with, including a prohibition on "[a]cts assuring the Users future price rise":[38]

8. Prohibitions
8-1. In performing the Services or using the Attain Sales System or the Marketer Registration System, the Marketer shall not conduct any of the following acts:

i.   Acts assuring the Users of future price rise;
ii. Acts performing the Services in a manner which depreciates the value of ADA;

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[33]   *See* ADA Voucher Master Distribution Agreement (November 23, 2016) (REVIOGC0011-00000001); Interview of Former Input Output Project Manager 1 (July 9, 2025).
[34]   Interview of Charles Hoskinson Part 1 (July 25, 2025).
[35]   *Id*.
[36]   *See* ADA Voucher Master Distribution Agreement (entered November 23, 2016) (REVIOGC0011-00000001).
[37]   *See* Terms and Conditions Concerning Marketers (August 24, 2015; revised December 1, 2015) (REVIOGC0011-00000055); *see also* ADA Voucher Master Distribution Agreement (November 23, 2016) (REVIOGC0011-00000001).
[38]   *See* Terms and Conditions Concerning Marketers (August 24, 2015; revised December 1, 2015) (REVIOGC0011-00000055).

Hoskinson stated that this provision was included because Sawyers "wanted a provision to not allow price rise advertising…because guaranteeing a [return] is not an appropriate thing to do."[39] The distribution terms and conditions also prohibited "provid[ing] or announc[ing] any material regarding the CARDANO platform or [ada] which the [m]arketer prepares on one's own in performing the [s]ervices…without obtaining prior consent in writing from [Attain]."[40] Distributors that violated these terms and conditions could face suspension, a further investigative review, and a "terminat[ion] [of] the marketer registration."[41]

These marketing prohibitions were strictly enforced. The Attain team identified distributors that violated the marketing terms and would terminate the relationship if violations occurred.[42] This documentation is supported by Former Input Output Project Manager 1, who stated Attain terminated the relationship after finding wrongdoing.[43] Hoskinson further explained that if Sawyers identified any marketing issues, "[Sawyers] would tell Attain to get rid of the salesman."[44]

For example, in March 2016, Hoskinson and Wood discussed "exaggerated" statements made by certain distributors, including one such Japanese to English translation which indicated that "1M Yen will be 625M Yen."[45] The correspondence indicated that these statements "do not fairly represent the nature of Cardano, Ada or cryptocurrencies in general."[46]

[39]   Interview of Charles Hoskinson Part 1 (July 25, 2025).
[40]   *See* Terms and Conditions Concerning Marketers (August 24, 2015; revised December 1, 2015) (REVIOGC0011-00000055); Interview of Former Input Output Project Manager 1 (July 9, 2025).
[41]   *See* Terms and Conditions Concerning Marketers (August 24, 2015; revised December 1, 2015) (REVIOGC0011-00000055); Interview of Post-Sweep Project Team Member 3 (July 9, 2025).
[42]   *See* Listing of Distributors Investigated (REVIOGC0011-00938678).
[43]   Interview of Former Input Output Project Manager 1 (July 9, 2025).
[44]   Interview of Charles Hoskinson Part 1 (July 25, 2025).
[45]   *See* Email regarding marketing statements (March 28, 2016) (REVIOGC0011-00100498).
[46]   *Id*.

In another example, Former Input Output Project Manager 1 recalled a situation where one distributor stated that investors could "invest a thousand dollars and be a millionaire."[47] Former Input Output Project Manager 1 confirmed the suspension of this particular distributor. In addition, Post-Sweep Project Team Member 3 stated that "no commissions would be paid to the distributor" in these situations and the distributor "could not log on" to the Sales App.[48]

Based on the interviews conducted and the documents reviewed that contain reasons for suspension, suspensions were primarily based on the use of predatory or fraudulent sales tactics.[49] Over the course of the Voucher Program, there were at least nineteen (19) distributors suspended.[50] The data showed real-time comments by Attain staff, which primarily indicated that the distributor "violate[d] the terms and conditions."[51] This documentary evidence is supported by statements from Hoskinson, where he recalled that marketing issues "almost always resulted in termination of the relationship and refunds."[52]

At the end of Tranche 2, the Foundation indicated to Attain in June 2016 that they were "concerned by aspects of Attain's online marketing material which, to quote one example, makes comparisons for Ada's price potential with that of Bitcoin."[53] The Foundation reiterated to Attain that "promotional material must not exceed the stated terms and conditions of the [V]oucher offering; all sales staff must be reminded of this as well." Hoskinson refused to continue the sale of Tranche 3 until these marketing issues had been addressed.[54] These issues took time to address and propagate throughout the distributor network (as illustrated by the over 3 month pause between

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47   *Id.*
48   *Id.*
49   *See* Listing of Distributors Investigated (REVIOGC0011-00938678); Interview of Post-Sweep Project Team Member 3 (July 9, 2025).
50   *See* Listing of Distributors Investigated (REVIOGC0011-00938678).
51   *Id.*
52   Interview of Charles Hoskinson Part 1 (July 25, 2025).
53   *See* Cardano Foundation Tranche 3 Report (June 30, 2016) (REVIOGC0011-00098053).
54   Interview of Charles Hoskinson Part 1 (July 25, 2025).

the end of Tranche 2 and start of Tranche 3). Around that same time, Hoskinson also declined to allow re-selling of the Vouchers using so-called "darkpools" because it would likely result in "some degree of fraud"[55] and that "we didn't want any trading of [ada] that wasn't through [the Voucher Program]."[56]

Attain also frowned upon distributors that targeted individuals in vulnerable situations, such as elderly or illiterate.[57] Following public allegations that Attain had been targeting the elderly, successfully contacted Voucher Holders over the age of 65 were offered "a full refund."[58] As a result, in January 2017, Hoskinson stated that "Attain must offer all elderly purchasers an opportunity to request a refund."[59] In addition, in January 2017, Hoskinson indicated that "special attention must be paid by Attain to ensure elderly purchasers have successfully gone through the [a]da Voucher vending process and their questions, comments and concerns are promptly addressed."[60] According to a 2017 email from Hoskinson, "everyone over the age of 65 could ask for a refund up until [a]da [V]ouchers shipped and some even did – all were processed." [61] Hoskinson stated in his interview that the decision to offer refunds was as "an extra protection" based "on suitability guidelines" rather than any specific legal requirement.[62]

Hoskinson stated in a 2017 email that "only a small percentage of the total sale was to people over the age of 65."[63] BDO's data analysis confirms Hoskinson's 2017 statement. To determine the Voucher Holders of a given age and the characteristics of each group, BDO compared the birthdates listed in the received Voucher Program JSON file from the "ada-sale-

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[55] *See* Email concerning "darkpools" (September 20, 2015) (REVIOGC0011-00096879).
[56] Interview of Charles Hoskinson Part 1 (July 25, 2025).
[57] *Id.*
[58] Interview of Former Input Output Project Manager 1 (July 9, 2025).
[59] *See* Email concerning elderly Voucher purchasers (January 30, 2017) (REVIOGC0011-00099608).
[60] *Id*.
[61] *See* Email concerning elderly Voucher purchasers (December 31, 2017) (REVIOGC0011-00098796).
[62] Interview of Charles Hoskinson Part 1 (July 25, 2025).
[63] *See* Email concerning elderly Voucher purchasers (December 31, 2017) (REVIOGC0011-00098796).

users" MongoDB production to calculate the age of each Voucher Holder. After calculating the age, the Voucher Holders were linked on the BuyerID field to attribute the allocated ada of each Voucher for that Voucher Holder.[64] The data is summarized below:

Voucher Holder Age Bucket	Number of Voucher Holders	Voucher Holder Percent	Number of Vouchers	Voucher Percent	ADA Amount	ADA Percent
Under 25	256	2.58%	335	2.33%	518,444,189	2.00%
25-34	2,090	21.09%	2,983	20.71%	5,654,900,038	21.81%
35-44	2,979	30.05%	4,353	30.22%	8,591,527,576	33.14%
45-54	2,557	25.80%	3,800	26.39%	5,910,013,557	22.79%
55-64	1,424	14.37%	2,067	14.35%	3,769,421,064	14.54%
65+	**606**	**6.11%**	**864**	**6.00%**	**1,482,764,114**	**5.72%**
Totals	**9,912**		**14,402**		**25,927,070,538**	

In addition, BDO also analyzed the age groups of the Voucher Holders attributed to the 120 Vouchers that are "Unredeemed" as of August 15, 2025.[65] The data is summarized below:

Voucher Holder Age Bucket	Number of Voucher Holders	Voucher Holder Percent	Number of Vouchers	Voucher Percent	ADA Amount	ADA Percent
Under 25	5	4.67%	5	4.17%	2,265,653	2.96%
25-34	18	16.82%	19	15.83%	10,722,960	13.99%
35-44	25	23.36%	26	21.67%	17,174,202	22.40%
45-54	32	29.91%	38	31.67%	30,199,709	39.39%
55-64	14	13.08%	18	15.00%	9,079,687	11.84%
65+	**13**	**12.15%**	**14**	**11.67%**	**7,226,819**	**9.43%**
Totals	**107**		**120**		**76,669,030**	

As shown in the data, only ~6% of Vouchers were sold to participants 65 years or older. As of the publication of this Investigative Report, there are only 13 unredeemed Voucher Holders 65 years or older, which represents 12% of total unredeemed Voucher Holders. In addition, nearly 99% of unredeemed Voucher Holders were Japanese.[66]

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[64] *See* Voucher List Excel file (REVIOGC0011-00938544); *See also* invoiceTickets.json (REVIOGC0011-00938674), ada sale users file (REVIOGC0011-00940539-00940567).
[65] *See* Voucher List Excel file (REVIOGC0011-00938544).
[66] *See* Presale_AVVM files (REVIOGC0011-00940635-728); *See* unredeemed-buyers.json (REVIOGC0011-00940564) using query: SELECT residenceCountry, COUNT(*) AS count_of_users FROM [JSON_SOURCE].[unredeemed-buyers_ada-sale-users_20250630].

C.   The Voucher Program Tranches

Attain separated the Voucher Program into multiple Tranches. With each Tranche, Sawyers and Attain executed an Order Form that set out the specific terms of purchase for each Tranche. The Order Form contained the territory covered, the maximum quantity of ada, the sale price of each ada to Attain, the sale price of each ada to a retail user, the accepted payment, and the offer period of the Tranche. Attain accepted BTC or JPY as forms of payment.

The Order Form for Tranche 1 began the Voucher Program.[67] The Tranche 1 offer period started September 15, 2015 and ended on November 6, 2015.   For the first tranche, Attain and its distributors conducted the sale in Japan only, with a maximum number of 1,500,000,000 ada. For Tranche 1, Attain purchased the ada at 0.0016 USD and sold to retail users at 0.0020 USD. At the start of Tranche 1 on September 15, 2015, Attain began identifying and hiring local distributors in the targeted territories and reaching out to potential Voucher purchasers. Those interested in purchasing Vouchers could access the website "attaincorp.co.jp" to review the terms and conditions, risk disclosures, and the privacy policy related to the Voucher Program.[68] The website also contained information on the Cardano blockchain and customer service contacts.[69]

D.   The Four Steps of a Voucher Purchase

To initiate a Voucher purchase, a user submitted the required information on Attain's Sales App. By Attain's policy, the required information varied based on the purchase amount and type of purchaser (i.e., entity or individual). A Voucher purchase generally required four distinct steps.

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[67]   *See* ADA Voucher Order Form: Tranche 1 (September 18, 2015) (REVIOGC0011-00000002).
[68]   *See*   Attain   Corporation   Co.   Homepage,   *available*   *at* https://web.archive.org/web/20151116201640/http:/attaincorp.co.jp/.
[69]   *Id*.

In Step 1, the prospective purchaser selected a language preference and country of residence.[70] The table below summarizes the language selected by count of Voucher Holders.[71]

Language	Voucher Holder Count	Percent of Voucher Holders
Japanese	9,405	94.9%
Korean	318	3.2%
Chinese	159	1.6%
English	30	0.3%
Total	**9,912**	**100.0%**

Then, in Step 2, the prospective purchaser entered personal information, such as the account type (entity or individual), email address, street address, phone number, birthdate, payment method (BTC or JPY), and purchase amount.[72] The Sales App also required a confirmation email to the email address with a verification code to confirm access.[73] The below image from the Sales App shows the Step 2 information required by the prospective purchaser:

Next, the prospective purchaser proceeded to Step 3 and accepted the Voucher Program terms of use and policies.[74] The screen for the terms of use and policies is located below:

Please read the User Policy carefully before checking the box

STEP 1   STEP 2   STEP 3   STEP 4

User Policy 日本語
☐ I agree to the User Policy
Possible Risks 日本語
☐ I understand the Risks

Back   Next

Specifically, the Voucher Program had a User Policy, Risk Disclosures, and Privacy Policies.[75] These documents were updated and revised throughout the different Tranches, but the relevant terms of each are discussed below.

The User Policy, first published on August 24, 2015, was made available to Voucher participants before purchasing a Voucher, and contains important disclosures such as:[76]

- Registration requirements to redeem Vouchers;[77]
- Participants' obligations to protect participant passwords and security of participant wallets;[78]
- Events that may trigger discontinuation or suspension of Voucher redemptions;[79] and
- Prohibited acts which could lead to account suspension.[80]

Attain amended the User Policy on December 1, 2015, November 24, 2016,[81] and February 10, 2017.[82]

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[74] *Id*.

[75] *Id*.

[76] The User Policy has an establishment date of August 24, 2015. *See* User Policy (August 24, 2015; revised December 1, 2015) (REVIOGC0011-00000044).

[77] *See id.* at Sec. 3.

[78] *See id.* at Sec 4.

[79] *See id.* at Sec. 11.

[80] *See id.* at Sec. 12.

[81] *See* User Policy, version v5a en userpoli (hereinafter "User Policy II") (August 24, 2015; revised November 24, 2016) (REVIOGC0011-00000045).

[82] *See* User Policy, version v8b en userpoli (hereinafter "User Policy III") (August 24, 2015; revised February 10, 2017) (REVIOGC0011-00000070).

Attain first published the Risk Disclosure on August 24, 2015,[83] and made it available to Voucher participants before purchasing a Voucher and included various risks related to the:

- Developing nature of Cardano, including that the development status may cause any release to be delayed or cancelled;
- Fluctuation of ada value at the time of purchase;
- Liquidity of ada and ada transactions after its release;
- Fluctuation of ada value over time;
- Instability of the Cardano network;
- Loss of password and ada account security; and
- System failure due to external environments.

Attain completed KYC verification as the final step (Step 4). Generally, the required identification documents included a copy of an official identification document (i.e., identification card or passport) and a photograph of the prospective purchaser holding said document.[84] However, Attain implemented heightened KYC requirements based on purchase frequency and purchase size using a "Compliance Tier" system.[85] For example, purchases that exceeded pre-set requirements had additional due diligence checks, including verification by phone and verification on Nikkei Telecom.[86] Nikkei Telecom provided AML checks for the highest compliance tiers.[87]

After a prospective purchaser enrolled, Attain's compliance team reviewed the prospective purchaser's submitted information.[88] If the prospective purchaser's application required additional review, Attain's compliance team had an option to escalate the application to Attain's Chief Compliance Officer for review.[89]

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[83]   *See* Possible Risks in ADA Exchange (August 24, 2015; revised December 1, 2015) (REVIOGC0011-00000039).
[84]   *See* Attain Corporation Co., *ADA Exchange: Required ID* (last updated May 15, 2017), *available at* https://web.archive.org/web/20161023030232/http://attaincorp.co.jp/en/change/identity.html.
[85]   *See* Attain Corporation Co. (attainweb), *SalesApp: Master Docs*, GITHUB (last updated July 24, 2017), *available at* https://github.com/attainweb/SalesApp/tree/master/docs; Interview of Post-Sweep Project Team Member 3 (July 9, 2025).
[86]   *Id*.
[87]   Interview of Post-Sweep Project Team Member 3 (July 9, 2025).
[88]   *Id*.
[89]   *Id*.

Once Attain approved an individual's KYC, the user purchased a Voucher with either BTC or JPY. The payment processes developed by Attain involved very little human interaction for payment processing. The prospective Voucher purchaser received an invoice with instructions for payment. To purchase in BTC, a user initiated an on-chain transaction on the Bitcoin blockchain and sent BTC to a designated address provided by Attain. An example payment screen for a BTC Voucher sale is below[90]:

Pay with Bitcoin

Send Bitcoins to	2N2GKpeYdUjWdXmxEVX66CuLX5ob8KUurrV
Requested Amount (USD)	$1,000
Bitcoin Price	$886.67
Bitcoins to Pay	฿1.12781530

You have **576** seconds left to pay the above price. After that the price will be automatically recalculated.

Warning Please complete the transaction with a single payment. Any additional payments will not be converted into ADA.

If a user wanted to purchase with JPY, the user received an invoice via email with information on how to pay in JPY. The invoice contained information on Attain's bank accounts at Kansai Urban Banking Corporation and Sumitomo Mutsui Banking Corporation. Once the prospective purchaser sent the JPY to Attain's bank account, they did not need to take any further action. Attain's systems converted the JPY to BTC using a partner exchange and sent the BTC to the BTC address corresponding with the requisite Tranche sale. For the conversion, Attain applied an additional transaction fee of 7.75% to sales made in JPY.[91]

When the Sales App server received confirmation of a successful transfer of payment for a Voucher, the Sales App sent the Purchase Receipt to the purchaser via email. Importantly, the Purchase Receipt contained a passcode (also referred to as the "Ada Passcode" in Attain's

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[90]   *Id.*

[91]   *See* Attain Corporation Co. (attainweb), *SalesApp: Master Docs*, GITHUB (last updated July 24, 2017), *available at* https://github.com/attainweb/SalesApp/tree/master/docs.

documents), which Voucher Holders would need in the future for the AVVM process (*see infra* Section IV).[92]

E.   Tranches 2, 3, and 4

This same KYC onboarding, compliance, and purchase process continued for the remaining Tranches. Tranche 2 began December 21, 2015 and ended April 22, 2016.[93] Japan served as the sole Tranche 2 territory, with a maximum quantity of 8,000,000,000 ada. Tranche 2 pricing increased slightly to a sales price of 0.00176 USD to Attain and a retail user sale price of 0.0022 USD.

Attain split Tranche 3 into two separate Order Forms, identifying them as Tranche 3 and Tranche 3.5. Tranche 3 started August 3, 2016 and ended September 16, 2016.[94] Once again, Japan served as the sole Tranche 3 territory, with a maximum quantity of 6,000,000,000 ada, and an Attain sales price of 0.00192 USD and retail user sale price of 0.0024 USD. For Tranche 3.5, which started October 11, 2016 and concluded November 22, 2016, Attain set the sale price and retail price identical to Tranche 3, but reduced the quantity to a maximum of 1,000,000,000 ada.[95] In addition, Tranche 3.5 became the first Tranche to expand outside of Japan, since the territory also included South Korea and China.

Lastly, Tranche 4 ran from November 25, 2016 until January 31, 2017, and primarily included the territories of Japan, South Korea, China, Thailand, and Vietnam.[96] Attain set Tranche 4 as the largest maximum ada quantity at 11,000,000,000 ada, with an Attain sales price of 0.00208 and a retail user sale price of 0.0026 USD.

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[92]   *See id.*
[93]   *See* ada Voucher Order Form: Tranche 2 (November 23, 2015) (REVIOGC0011-00000003).
[94]   *See* ada Voucher Order Form: Tranche 3 (July 4, 2016) (REVIOGC0011-00000005).
[95]   *See* ada Voucher Order Form: Tranche 3.5 (September 19, 2016) (REVIOGC0011-00000006).
[96]   *See* ada Voucher Order Form: Tranche 4 (November 23, 2016) (REVIOGC0011-00000007).

A summary of all Tranches is below:[97]

Tranche	Maximum ADA Voucher Quantity	Reference Sale Price in USD	Reference Retail Price in USD	Offer Period
1	1,500,000,000	0.0016	0.0020	15 Sep 15 - 06 Nov 15
2	8,000,000,000	0.00176	0.00220	21 Dec 15 - 22 Apr 16
3	6,000,000,000	0.00192	0.00240	03 Aug 16 - 16 Sep 16
3.5	1,000,000,000	0.00192	0.00240	11 Oct 16 - 22 Nov 16
4	11,000,000,000	0.00208	0.00260	25 Nov 16 - 31 Jan 17

F. Voucher Program Reconciliation

In total, Sawyers sold Vouchers which could be redeemed into 25,927,070,538 ada across Tranches 1, 2, 3, 3.5, and 4, and generated 108,844.5 BTC.[98] Sawyers distributed the BTC from the sale proceeds to separate addresses for each Tranche, identified at the following BTC addresses:

- Tranche 1: 3LZU6nDHGFfNrcs15qZcPA7xDDMHBbDN28[99]
- Tranche 2: 37UmWw8rQpmomsHmq62AiE6EXgbi59UFAe[100]
- Tranche 3: 37jFLuEE5E7Cg3H72GQyDbkBGPgfeT4jYW[101]
- Tranche 3.5: 38fsdtpzNv1nsoc4ho9wDBBdtqHCy72wKR[102]
- Tranche 4: 3KJUJUQS3XwYiiZ9uzVdqJwbnnUjPYLcmy[103]

Throughout the sales period, 9,912 buyers purchased 14,402 Vouchers totaling 25,927,070,538 ada.[104] Approximately 94% of Voucher sales originated from Japan,

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[97] *See* Sawyers Memorandum of Resolutions of the Directors (March 23, 2017) (REVIOGC0011-00000082).

[98] *See* Cardano, *Genesis*, CARDANO.ORG, *available at* https://cardano.org/genesis/.

[99] *See* Blockchain.com, *BTC: Base58 (P2SH), 3LZU6-bDN28,* BLOCKCHAIN.COM (last updated November 20, 2015), *available at* https://blockchain.info/address/3LZU6nDHGFfNrcs15qZcPA7xDDMHBbDN28.

[100] *See* Blockchain.com, *BTC: Base58 (P2SH), 37UmW-9UFAe,* BLOCKCHAIN.COM (last updated May 30, 2016), *available at* https://blockchain.info/address/37UmWw8rQpmomsHmq62AiE6EXgbi59UFAe.

[101] *See* Blockchain.com, *BTC: Base58 (P2SH), 37jFL-T4jYW,* BLOCKCHAIN.COM (last updated April 5, 2017), *available at* https://blockchain.info/address/37jFLuEE5E7Cg3H72GQyDbkBGPgfeT4jYW.

[102] *See* Blockchain.com, *BTC: Base58 (P2SH), 38fsd-72wKR,* BLOCKCHAIN.COM (last updated January 6, 2017), *available at* https://blockchain.info/address/38fsdtpzNv1nsoc4ho9wDBBdtqHCy72wKR.

[103] *See* Blockchain.com, *BTC: Base50 (P2SH), 3KJUJ-YLcmy,* BLOCKCHAIN.COM (last updated April 5, 2017), *available at* https://blockchain.info/address/3KJUJUQS3XwYiiZ9uzVdqJwbnnUjPYLcmy.

[104] *See* Voucher List Excel file (REVIOGC0011-00938544).

approximately 3% from South Korea, and approximately 2% from China, with the remaining ~0.5% from a combination of Thailand, Myanmar, Vietnam, Philippines, and Taiwan.[105]

BDO validated the BTC transactions associated with the Voucher Program. To validate BTC transactions, BDO implemented a process of data preparation, blockchain data extraction, and transaction validation. BDO created an SQL table to store key transaction details such as the transaction hash, amount, BuyerID (from the sale), and the wallet address. Input Output provided this information to BDO in two datasets—"Voucher list.xlsx" and "invoiceTickets.json"—which were linked by a shared key in both datasets (BuyerID).[106] BDO reconciled the BTC transactions associated with the Voucher Program and identified 6,619 distinct BTC transactions (fewer than the total number of Vouchers sold because purchases transacted in JPY were aggregated together).[107] BDO used the related BTC transaction identifiers for each transaction to extract underlying transaction detail data from the Bitcoin blockchain, leveraging TRM Labs for bulk extraction.

For each transaction hash, BDO captured the transaction hash from the blockchain, timestamp, and the transaction inputs and outputs (including from/to wallet addresses and BTC amounts). BDO stored this blockchain data in a second SQL reference table. Then, BDO created an SQL query to validate each transaction. Using this process, BDO validated all 14,402 Voucher transactions against the blockchain data in the reference table, noting no discrepancies.[108]

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[105] *See* Cardano, *Genesis*, CARDANO.ORG, *available at* https://cardano.org/genesis/.
[106] *See* Voucher List Excel file (REVIOGC0011-00938544); *See* invoiceTickets.json (REVIOGC0011-00938674); *See* Sales app production 2 files (REVIOGC0011-00940605-634).
[107] BDO utilized the following query for this reconciliation: SELECT DISTINCT ([Sales app Original data Invoice BTC transaction id]) FROM [PBC].[Voucher_list_20250619] vl LEFT JOIN [JSON_SOURCE].[invoiceTickets_sales-app-production2_20250627] it ON it.invoiceTransactionId = vl.[Sales app Original data Invoice BTC transaction id] AND it.buyerId = vl.[Sales app Original data Buyer id].
[108] BDO relied on well-respected third-party providers such as TRM Labs and the BlockFrost API to extract Blockchain data accurately and completely. BDO documented who provided the data and considered whether the source of information had authority to provide it.

G. The Foundation's Report on Voucher Program

At the conclusion of each Tranche, Hoskinson specifically requested that the Foundation undertake a review of the sale amounts and prepare a report on the results.[109] The Foundation entered into an Audit and Verification Agreement with Sawyers on March 14, 2016.[110]

At the conclusion of the Voucher Program, the Foundation published its final report available online at https://cardano.org/genesis/. The final report stated that based on a "full comparison between sales reported on internal systems and [...] the amounts received at the end of the process on the [B]itcoin blockchain," the Foundation concluded with "a high degree of confidence" that the proceeds of the Voucher Program "had been reported in a full and fair manner."[111] The Foundation's final report of the Voucher Program also did not "find any material issues" with the distributor activity analysis.[112] The Foundation's final report concluded that "Attain demonstrated an awareness of their obligations and duties of care covering" the Voucher Program and had "established operational sales and record maintenance procedures performed by a dedicated team."[113]

IV. THE AVVM PROCESS AND REDEMPTION CODE

A. AVVM Generated Voucher Certificates

Starting in March 2017, individuals could use their Purchase Receipt to obtain a Voucher Certificate. Input Output, Serokell, and Atix Labs developed the AVVM as a web application accessible at adavending.com. Input Output and Atix Labs entered into a Services Agreement on

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[109]   *See* Email regarding the Cardano Foundation undergoing an audit and verification agreement with Sawyers (March 13, 2015) (REVIOGC0011-00095715).
[110]   *See* Audit & Verification Agreement (March 14, 2016) (REVIOGC0011-00000004).
[111]   *Id*.
[112]   In Tranche 1 and 2, the Foundation identified some cases where distributors were purchasing on behalf of end users, meaning that the end users were not onboarded with the required KYC checks. These "distributors were suspended from further trading and the individual purchasers were on-boarded or refunded." *See Id*.
[113]   *Id*.

November 25, 2016, for the prototype and development of the AVVM.[114] Atix Labs developed and managed the AVVM infrastructure, whereas Serokell developed the AVVM code.[115] Post-Sweep Project Team Member 3 confirmed that Serokell led development on the AVVM web application, while Atix handled the backend infrastructure.[116]

To obtain a Voucher Certificate, a Voucher Holder used the AVVM. First, prior to the AVVM start date, Attain sent an email invitation to Voucher Holders to participate in the AVVM process. Second, once open, the AVVM prompted the user to input their email address, the Voucher ada amount, and the passcode generated with the Purchase Receipt, referred to as a Regular Vend. Third, once the Voucher Holder input this information, the AVVM generated a Voucher Certificate unique to the Voucher the user purchased.

Alternatively, if the Regular Vend failed or the Voucher Holder did not use the AVVM in time, the AVVM automatically processed the Purchase Receipt and sent the Voucher Certificate to their registered email address, referred to as a Force Vend. If the AVVM could not successfully deliver the Voucher Certificate to their registered email address, Sawyers mailed a printed copy of the Voucher Certificate to the Voucher Holder's registered mailing address on file, referred to as a Paper Vend. Throughout March 2017 there were 13,028 Regular Vends (90.46%), 1,361 Force Vends (9.45%), and 13 Paper Vends (0.09%).[117]

An example template copy of a Voucher Certificate is below, which shows the name of a fictitious Voucher Holder, the amount of ada eligible to be redeemed, the vending address (on RSCoin), and the Redemption Code.[118]

[114] *See* IOHK & Atix Labs SRL, Services Agreement (November 25, 2016) (REVIOGC0011-00574596).
[115] Interview of Post-Sweep Project Team Member 3 (July 9, 2025).
[116] *Id*.
[117] *See* Voucher List Excel file (REVIOGC0011-00938544).
[118] *See* Cardano Foundation, *Daedalus tutorial video. Cardano Testnet 0.3 [English]*, YOUTUBE (April 13, 2017), *available at* https://www.youtube.com/watch?v=jfv7Ha8cPps.
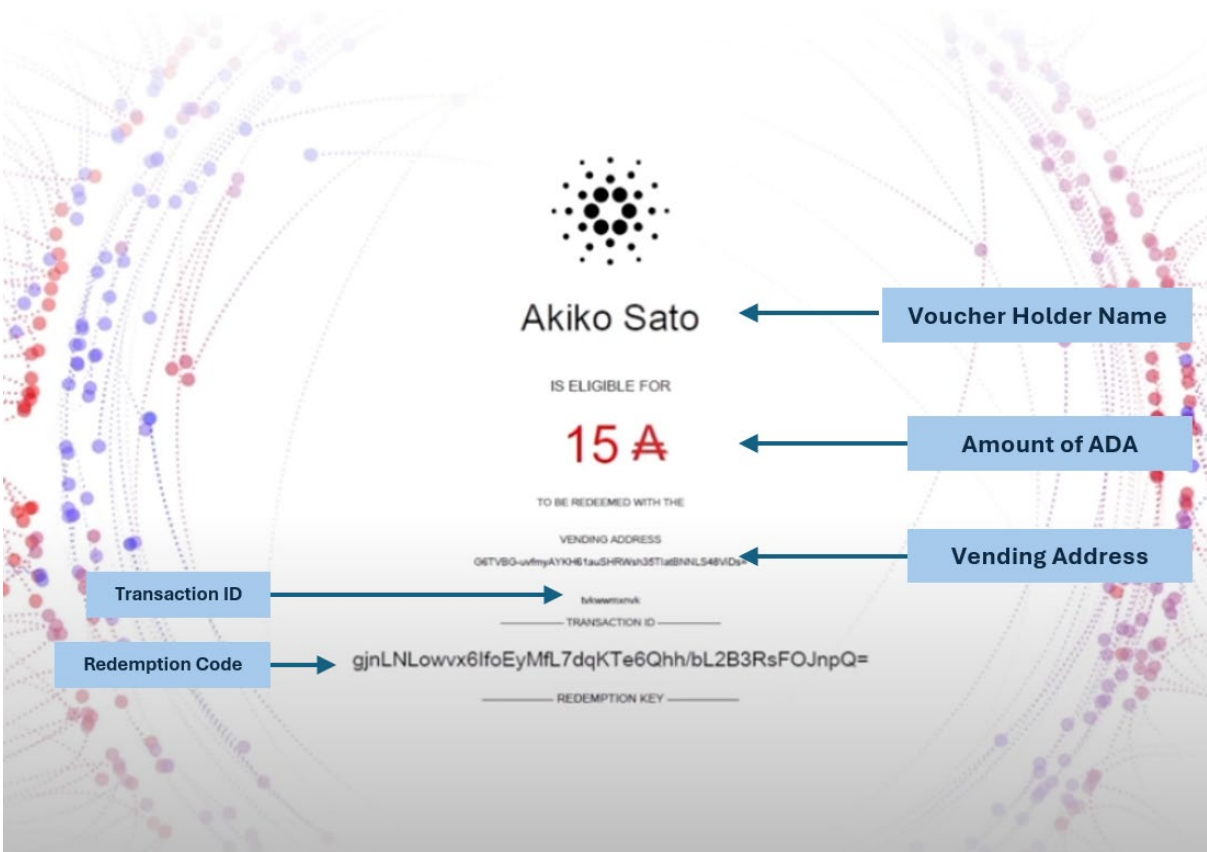
Upon successful creation of a Voucher Certificate, the AVVM generated a wallet address and minted ada on the RSCoin blockchain (i.e., as opposed to ada minted on the Cardano blockchain – which did not launch until later that year). The AVVM process used RSCoin, a private blockchain used to store and manage Voucher Program transactions and data. For every generation of a Voucher Certificate, the RSCoin blockchain stored the information associated with that Voucher. At the conclusion of the AVVM process, the system automatically Force Vended or Paper Vended all Voucher Holders that did not use the AVVM to generate a Voucher Certificate, and the AVVM exported RSCoin unspent transaction outputs (also referred to as UTXOs) for those Voucher Holders. [119] The AVVM data stored on RSCoin was eventually transferred to the Cardano blockchain mainnet in the Genesis Block.

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[119]   Interview of Former Input Output Project Manager 1 (July 9, 2025).

At the conclusion of the AVVM, RSCoin contained the Voucher data for all the sales pursuant to the Voucher Program. An announcement in the Cardano newsletter on March 31, 2017 indicated that "we are incredibly pleased to announce that the [ada] [v]end has now completed with 100% of all [V]ouchers successfully vended."[120]

B.   Voucher Holders Received Redemption Codes Not Private Keys

Certain public statements allege that participating in the Voucher Program gave Voucher Holders a private key in the traditional cryptocurrency understanding of that term. Private keys are essentially individual passwords used to denote ownership in a particular blockchain address.[121] Like public keys, private keys similarly consist of multi-digit alphanumeric strings. However, unlike public keys—which are identifiable to the public and used to identify a digital wallet—private keys are only known by the owner of the digital wallet and are used by the owner to access, manage, and restore a digital wallet. In sum, private keys give digital wallet owners the following key features: (1) sole custody; (2) the ability to both receive and send transactions from a digital wallet; and (3) the ability to regenerate the private key using a recovery or seed phrase.[122] The Redemption Code did not have all the key features typically associated with a cryptocurrency private key.

As an example, Masato claims that "the [Voucher] buyers were delivered private keys (like a seed phrase)" (see excerpt below) and that Voucher Holders "already had access" to the ada.[123] As such, public statements allege that by making these wallets' UTXOs unspendable during the

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[120]   *See* Cardano Newsletter (March 31, 2017) (REVIOGC0011-00383426).
[121]   *See* Coinbase, What is a Private Key, *available at* https://www.coinbase.com/learn/crypto-basics/what-is-a-private-key.
[122]   *See* TrustWallet, Private Key vs. Recovery Phrase, available at https://trustwallet.com/blog/security/private-key-vs-recovery-phrase.
[123]   *See*   @masatoalexander,   X   (May   20,   2025),   *available*   *at* https://x.com/masatoalexander/status/1924785644519203307.

Shelley Upgrade, Input Output effectively "stole" the unredeemed ada.[124]   Our Investigation revealed that these statements do not have any basis.

> **masato_alexander** ✔
> @masatoalexander
>
> people seem to want a response to this.
>
> correcting anything i see wrong:
>
> -----
>
> *1) Between 2015 and 2017, Cardano ran a pre-sale mainly in Japan, where they sold ADA vouchers and raised about 2.59 billion ADA.*
>
> early buyers were not buying "ADA vouchers" the T&C clearly state they are buying "ADA" - regardless in both cases the buyers were delivered private keys (like a seed phrase).

1.   The Redemption Code Was a "Password"

Voucher Holders needed the Redemption Code to convert a Voucher Certificate to ada – but it was not itself a traditional private key. The Redemption Code is more aptly described as a "password" because it is the code needed to redeem ada and does not give the holder the technical ability to control or transact ada held in any particular digital address.[125]   In contrast, one who controls a "private key" maintains the sole ability to transact and use a blockchain asset.

In addition, a private key could be recreated by a recovery or seed phrase to restore a wallet multiple times, which is something the Redemption Code could not accomplish.[126]   The Redemption Code was an alphanumeric code that is completely different from a private key or recovery phrase (i.e., a 12- or 24-word phrase). Post-Sweep Project Team Member 3 confirmed that the AVVM Redemption Code could only be used once: "The code was intended to be used

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[124]   *See id.*
[125]   Interview of Former Input Output Project Manager 1 (July 9, 2025); Interview of Input Output Engineer 1 (July 8, 2025).
[126]   Interview of Input Output Engineer 1 (July 8, 2025).

only once. The moment it is used, it's spent and consumed. If it wasn't redeemed, it would sit on the ledger in the Byron format forever unless something removed it."[127]

In their interview, Former Input Output Project Manager 1 also confirmed that Voucher Holders received something "different from individual wallets and private keys."[128] For example, they stated that the Redemption Code "was not a mnemonic phrase…it requires you to create your own wallet. The [Voucher] [C]ertificate would then give you the ability to move the ada to your wallet."[129] Multiple other interviewees throughout our Investigation confirmed this fact. Input Output Engineer 1 stated that the Voucher Certificate was "not a traditional wallet where you hold the private keys" and that they agreed the Redemption Code was a one-time code "different from a seed phrase that can be used over and over."[130] Post-Sweep Project Team Member 3 further stated that the "private key [was] a future concept because in the future you will hold a private key" for the redeemed ada.

2. The First Japanese User Policy Makes Clear That Voucher Holders Were Not Given a Traditional Private Key

Other public statements allege that Voucher Holders received a "private key" because the User Policy for the Voucher Program used the term "private key" in the English translation version (see excerpt below).[131]

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[127] Interview of Post-Sweep Project Team Member 3 (July 9, 2025).
[128] Interview of Former Input Output Project Manager 1 (July 9, 2025).
[129] *Id*.
[130] Interview of Input Output Engineer 1 (July 8, 2025).
[131] *See* @masatoalexander, X (May 15, 2025), *available at* https://x.com/masatoalexander/status/1922964590431719685.

Our Investigation revealed that this statement does not have any basis with respect to the "earliest" User Policy. Nearly 95% of Voucher Holders received the Japanese language terms because the vast majority of Voucher purchasers were from Japan.[132] During the Voucher Program, the responsibility to translate the User Policy rested with Attain, not Sawyers.[133] The Japanese language version of the Tranche 1 User Policy and the mistranslated English translation are pasted below.[134] As shown, the actual term used in the Japanese Tranche 1 User Policy is "password."

第４条（パスワード管理）
1 交換者には、パスワードが付与されるが、自己の責任の下、任意に登録、管理するものとします。交換者は、第三者にパスワードを使用されることのないよう、以下の事項を守らなければなりません。

4. Management of Private Key and Password
4-1. The private key of ADA and a password required for conducting the Exchange Transaction, which will be issued on the Company's web site where the Exchanger is registered, will be issued to the Exchanger. The Exchanger shall manage and keep the private key and the password at one's own responsibility. The Exchanger may not allow a third party to use the private key and the password and shall comply with the following matters so that the private key and the password will not be used by a third party:

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[132] Interview of Charles Hoskinson Part 1 (July 25, 2025).
[133] *See* Email concerning English version of User Policy (June 8, 2016) (REVIOGC0011-00098054).
[134] *Compare* User Policy (August 24, 2015, revised December 1, 2015) (REVIOGC0011-00000044) with User Policy (Japanese) (September 4, 2015) (REVIOGC0011-00000046).

McDermott hired a certified translator to translate this specific section of the Japanese version of the User Policy. The certified translator indicated that the word for private key in the crypto context is "秘密鍵（ひみつかぎ）" and that word does not appear in the Japanese User Policy.[135] The certified translator's English translation[136] is below, which also included a Certificate of Accuracy:[137]

> Article 4 (Password Management)
>
> The exchanger will be provided with a password but shall register and manage it at their own discretion and under their own responsibility. In order to prevent third parties from using the password, the exchanger must comply with the following:

In addition, Former Input Output Project Manager 1 (a Japanese speaker) confirmed that the Japanese version of the User Policy does not actually translate to "private key" as found in the English version and that this section "doesn't say private key how it is referred to in crypto."[138] Former Input Output Project Manager 1 further stated that the Japanese version has "no mention of private key. Just password."[139] In their interview, Post-Sweep Project Team Member 2, a Japanese-English translator, also confirmed that "in the Japanese version there is no mention of private key, it is just the password" and that the private key concept is "totally omitted in the Japanese version."[140] Post-Sweep Project Team Member 2 suggested that the traditional Japanese word for "private key" in the cryptocurrency context is "himitsu kagi," which was not the term used in the earliest User Policy (this corresponds to the exact same term that the certified translator used).[141] The English version of the earliest User Policy is simply a mis-translation.

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[135] *See* Certificate of Accuracy of Chun-yu Kuo (July 24, 2025) (REVIOGC0011-00938542).
[136] *See* Certified Translation of User Policy, Article 4 (July 18, 2025) (REVIOGC0011-00938540).
[137] *See* Certificate of Accuracy of Chun-yu Kuo (July 18, 2025) (REVIOGC0011-00938541).
[138] *Id.*
[139] *Id.*
[140] Interview of Post-Sweep Project Team Member 2 (July 10, 2025).
[141] *Id.*

According to a certified translator, User Policy versions used for later Tranches contained the Japanese term for "secret key" or "private key."[142] However, throughout all Tranches the purchaser still received a Purchase Receipt (which did not contain a private key) and used the Purchase Receipt to generate a Voucher Certificate with a Redemption Code (which, as discussed above, also did not contain a private key). Despite the terms using this terminology, the function of what a Voucher Holder received did not change throughout the Tranches.

3. The Redemption Code Did Not Give Voucher Holders Custody of Ada

A key feature of a private key is that it proves sole ownership of a digital wallet. At the time of the AVVM and until the Voucher Holder actually redeemed the Voucher, the Voucher Holder did not have sole custody of the ada because either the ada had not yet been created, or, post-TGE and prior to actual redemption, another party (Attain and/or Sawyers) still had access to the ada and could access the funds.[143] The Redemption Code only had one output: deliver the ada from the Genesis Block to the Voucher Holder's wallet. It was upon such delivery that the Voucher Holder actually obtained custody of the Voucher Holder's claimed ada. The "Voucher only allows you to complete [one] transaction."[144] As such, Hoskinson concluded that "[y]ou wouldn't say you have custody when a third party can redeem your funds."[145]

Hoskinson explained that Sawyers took the position that the Voucher Program was not "settled when the AVVM vends" but rather "when [the ada] is moved from the Genesis Block to [the Voucher Holder's] private wallets." In contrast, if the AVVM process concluded the transaction and custody retained in the Voucher Holder only, there would not be any type of

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142   *See* User Policy Two Certified Translation (REVIOGC0011-00940731); User Policy Three Certified Translation (REVIOGC0011-00940732); User Policy Four Certified Translation (REVIOGC0011-00940733); Certification of Accuracy (REVIOGC0011-00940729).
143   Interview of Charles Hoskinson Part 1 (July 25, 2025).
144   *Id*.; *see also* Interview of Input Output Engineer 1 (July 8, 2025); Interview of Former Input Output Project Manager 1 (July 9, 2025).
145   *Id*.

recovery process for Voucher Holders (either through the Recovery Service or from the Post-Sweep Redemption Project).

4. McDermott and BDO Interviewed a Voucher Holder Who Indicated They Did Not Receive a Private Key

McDermott and BDO interviewed Voucher Holder 1, who in 2016 purchased approximately 400,000 ada in the Voucher Program and used the AVVM.[146] Voucher Holder 1 indicated that they were "previously interested in BTC" and that "at that time I was looking on the internet and was interested in information about [Cardano]."[147] Voucher Holder 1 stated that they then contacted Attain and submitted the required information.[148] When Voucher Holder 1 was asked whether by "participating in the sale" they would "get[] a private key," Voucher Holder 1 answered that they only "received a [Voucher] Certificate."[149]

C. Attain Dissolved in March 2017 and the Foundation Initially Agreed to Take Its Place

Shortly following the Voucher Program conclusion in January 2017, Attain dissolved on March 31, 2017. According to Attain's website, customer service related to the Voucher Program continued by Attain until April 28, 2017.[150] Sawyers expressed concerns over Attain's dissolution plan towards the end of the Voucher Program, since Voucher purchasers may come forward with customer service inquiries and questions related to the Voucher Program. In October 2016, Hoskinson told fellow employees, including Wood, that Attain's job responsibility isn't "considered settled [until] the [a]da Voucher has been delivered to the [a]da buyer. It is Attain's legal obligation to ensure the buyer receives his [a]da Voucher."[151]

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[146] Interview of Voucher Holder 1 (July 23, 2025).
[147] *Id*.
[148] *Id*.
[149] *Id*.
[150] *See* Attain Corporation Co., *Homepage* (last updated June 9, 2017), *available at* https://web.archive.org/web/20170609161645/http://attaincorp.co.jp/en/.
[151] *See* Email concerning AVVM process (October 5, 2016) (REVIOGC0011-00096138).

At that time, Hoskinson further indicated that Attain must "novate this [customer service] obligation to a stable entity that can reasonably make best effort to deliver the [a]da Vouchers. No entity has been chosen for this purpose and it must be decided soon."[152] Hoskinson and others suggested that the Foundation take this role. Hoskinson stated in October 2016 that the Foundation "would be a natural entity to take custody of the [a]da Vouchers and ensure delivery in the event Attain is dissolved. It seems however their primary priority is to mitigate personal risk regardless of the unintended consequences to the Cardano [c]ommunity."[153] The discussions to fill Attain's eventual void progressed into early 2017. However, despite initially stating in March 2016 that "legal responsibility for that redemption will rest with the [Foundation]," the Foundation abandoned its plan to further participate in the Voucher Program including the upcoming vending and on-chain redemption process.[154] Former Input Output Project Manager 1 confirmed that "after Attain closed, [the] Foundation was supposed to do it but didn't. [Sawyers] took it upon themselves."[155]

V.   ADA TGE

The ada TGE occurred on September 23, 2017, with the Genesis Block of the Cardano blockchain.[156] The Genesis Block contained the initial set of 14,505 distribution transactions comprising 31,112,484,745 ada.[157] The total supply of ada is 45,000,000,000, a portion of which is circulating and a portion of which is in the Reserve.[158] The Genesis Block distribution included

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152   *Id*.
153   *Id*.
154   *See* Email concerning Foundation and redemption process (March 30, 2016) (REVIOGC0011-00099421).
155   Interview of Former Input Output Project Manager 1 (June 22, 2025).
156   *See Block: Genesis, Hash 5f20df*, ADASTAT.NET (last updated September 23, 2017 5:44:51 PM), *available at* https://adastat.net/blocks/5f20df933584822601f9e3f8c024eb5eb252fe8cefb24d1317dc3d432e940ebb.
157   While the Genesis Block's total output was 31,112,484,745 ada, the block contained 100 one (1) ada test or quality assurance transactions, meaning the entirety of available ada for genesis was 31,112,484,645. EMURGO also received 2,074,165,643 ada, and the Foundation received 648,176,763 ada, off by one and two ada, respectively, when compared to the Foundation's website (https://cardano.org/genesis/).
158   *See* CoinMarketCap, COINMARKETCAP.COM (last accessed July 30, 2025), *available at* https://coinmarketcap.com/currencies/cardano/.

the distributions that were publicly disclosed for Input Output, the Foundation, and EMURGO. Specifically, the Genesis Block distribution allocated 2,463,071,701 to Input Output, 648,176,761 ada to the Foundation, 2,074,165,644 to EMURGO, and 25,927,070,538 pursuant to the Voucher Program.[159]

The first era of Cardano was the Byron era. In the Byron era, users of the Cardano blockchain could send and receive ada from self-hosted wallets. Pursuant to the evolution of Cardano detailed in the public Roadmap, the three founding entities (i.e., Input Output, the Foundation, and EMURGO) operated the Cardano consensus mechanism during the Byron era.[160] At that time, staking features on Cardano did not exist. Cardano's plan towards decentralization included the Shelley Upgrade to allow individual nodes to operate as SPOs and to allow ada holders to delegate to SPOs. Over time, the three founding entities reduced their involvement in the consensus mechanism of Cardano as responsibilities shifted to SPOs and to ada holders.[161]

During the Byron era, the Foundation and EMURGO did not initially have the technical capabilities to operate the nodes themselves, so the Foundation and EMURGO delegated authority to Input Output to operate them on their behalf.[162] In July 2022, the Foundation withdrew its delegation of Genesis Keys that were previously given to Input Output. All subsequent voting and operations of the Foundation's Genesis Keys were done by the Foundation itself.

During the Byron era, to send and receive ada from self-hosted wallets, users of the Cardano blockchain could use the Yoroi or Daedalus wallets. Daedalus, which was launched in 2017, is a self-hosted wallet and is full node, meaning that the wallet downloads Cardano's

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[159] *See* Cardano, *Genesis*, CARDANO.ORG (last accessed August 1, 2025), https://cardano.org/genesis/.
[160] *See* Cardano, *Cardano RoadMap: What is Cardano?*, IOHK (n.d.) (last accessed August 1, 2025), *available at* https://roadmap.cardano.org/en/; Interview of Input Output Engineer 1 (July 8, 2025).
[161] *See* Cardano, *Cardano RoadMap: What is Cardano?*, IOHK (n.d.) (last accessed August 1, 2025), *available at* https://roadmap.cardano.org/en/.
[162] Interview of Input Output Engineer 1 (July 8, 2025).

complete ledger of blockchain transactions to the user's device.[163] Daedalus is a desktop wallet (i.e., computer only, there is no mobile application) developed and designed by Input Output.

The Genesis Block issued ada on Cardano and contained all the transaction data from the Voucher Program because the AVVM process accounted for every Voucher. The RSCoin transaction data from the AVVM process was stored in a file titled "AVVM-UTXO.json" which was eventually included in the Genesis Block.[164] As such, the transaction data in the Genesis Block could be used to link back to a specific, identifiable Voucher Holder.[165]

BDO reconciled the total amounts of Genesis Block transactions for the 14,402 Vouchers. The ada amounts allocated to Vouchers is correctly presented in the Genesis Block. Utilizing a widely accepted API,[166] BDO used the Python programming language to "pull" or extract wallet addresses, amounts, and other metadata for transactions on Cardano to create the Blockchain Transaction Data. Each Voucher has a single, unique minting transaction, as they correspond to a single output from the Genesis Block. For each of the individual minting transactions, BDO compared (1) each Voucher's minting transaction and the total minted ada amounts listed in the provided sales data from Input Output[167] with (2) ada amounts from the Blockchain Transaction Data. BDO identified no discrepancies for individual minting amounts or the total minting amount of 25,927,070,538 ada for all 14,402 Vouchers.

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163 *See* Darko Mijić, *Daedalus: from launch to Flight and beyond...*, IOHK (June 15, 2021), *available at* https://iohk.io/en/blog/posts/2021/06/16/daedalus-from-launch-to-flight-and-beyond/.
164 *See* IOHK, *project-icarus-importer/scripts/avvm-files/avvm-utxo.json*, GITHUB (archived February 25, 2020), *available at* https://github.com/input-output-hk/project-icarus-importer/blob/icarus-master/scripts/avvm-files/avvm-utxo.json; Interview of Input Output Engineer 1 (July 8, 2025).
165 While there was a Cardano testnet operating prior to the closure of the AVVM, the Cardano mainnet did not launch until after the AVVM process was complete. The AVVM process had to be completed so the RSCoin data contained a full and complete minting of all transactions of the Voucher Program. Only then could the Cardano mainnet launch with a complete data set for the Genesis Block.
166 BDO used the Blockfrost.io API, which is free to use for up to 50,000 daily requests from the Cardano blockchain.
167 *See* Voucher List Excel file (REVIOGC0011-00938544).

VI.   BYRON ERA VOUCHER REDEMPTIONS

A.   Efforts to Assist Voucher Holder Redemptions

Immediately following the launch of the Cardano blockchain mainnet, participants in the Voucher Program could start redeeming their Voucher by using the Redemption Code located on their Voucher Certificate. To remind Voucher Holders that the redemption period opened, several messages were sent to Voucher Holders. For example, Voucher Holder 1 recalled that they "received several emails…explaining the redemption process."[168]

In addition to the reminder emails, to educate and instruct Voucher Holders on the redemption process, Input Output also held a two-week long seminar tour across Japan following the Cardano mainnet launch.[169] To determine the seminar locations, the Foundation sent out a questionnaire to determine who needed help and any questions people had, which assisted in planning the tour's itinerary.[170] Ultimately, the seminars took place in the cities of Osaka, Nagoya, Hiroshima, Fukuoka, and Tokyo in late September through early October 2017.[171] Once the locations were decided, the Foundation also sent out emails to prospective attendees stating that "[r]epresentatives from Input Output and other Cardano partners will be traveling to [Japan]" and that "seminars will cover a broad range of topics."[172] The email provided a link to sign up for the seminars.[173] These seminars were titled the "Help Desk Tour," and were conducted primarily in Japanese or a mixture of Japanese and English.[174] In his interview, Post-Sweep Project Team

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[168]   Interview of Voucher Holder 1 (July 23, 2025).

[169]   *See* Jeremy Wood, *Cardano help desk tour arrives in Tokyo*, IOHK (October 12, 2017), *available at* https://iohk.io/en/blog/posts/2017/10/12/cardano-help-desk-tour-arrives-in-tokyo/.

[170]   *Id.*

[171]   *See id.*; Interview of Former Input Output Project Manager 1 (July 9, 2025).

[172]   *See* Email from the Foundation to listserv subscribers regarding help desk tour and launch progress (September 17, 2017) (REVIOGC0011-00392881).

[173]   *Id.*

[174]   *See* Jeremy Wood, *Cardano help desk tour arrives in Tokyo*, IOHK (October 12, 2017), *available at* https://iohk.io/en/blog/posts/2017/10/12/cardano-help-desk-tour-arrives-in-tokyo/.

Member 3, who participated in the Help Desk Tour, stated that the purpose was to make Voucher Holders "familiar with [Cardano]" and to "introduce setting up the [Daedalus] wallet to redeem, how to redeem, [and] how to transact."[175]

According to Former Input Output Project Manager 1, the Help Desk Tour sessions were well-attended and focused on step-by-step instructions on Daedalus wallet setup and instructions on how to use Daedalus to redeem Vouchers.[176] Session attendees included a "mix of different ages" and "were nearly always just about full."[177] One Voucher Holder stated that, "I brought my PC today and managed to redeem my [a]da. I don't think I could've done that without the staff's help. I'm glad that everything's solved."[178] A photo from one of the Help Desk seminars in Tokyo is below.[179]

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[175] Interview of Post-Sweep Project Team Member 3 (July 9, 2025).
[176] Interview of Former Input Output Project Manager 1 (July 9, 2025).
[177] *See* Jeremy Wood, *Cardano help desk tour arrives in Tokyo*, IOHK (October 12, 2017), *available at* https://iohk.io/en/blog/posts/2017/10/12/cardano-help-desk-tour-arrives-in-tokyo/.
[178] *See id*.
[179] *Id*.

B. Automated Redemptions Using Daedalus

To start the redemption process, Voucher Holders first needed to create a self-hosted wallet on Daedalus.[180] After downloading the Daedalus application, a Voucher Holder clicked "Create" on the Daedalus homepage, named the wallet, and were provided a 12-word recovery phrase. The Voucher Holder was instructed to write down and save the recovery phrase. After re-entering the 12-word recovery phrase to confirm its accuracy and retention, the Voucher Holder successfully created a Daedalus wallet. See below screenshots to illustrate.
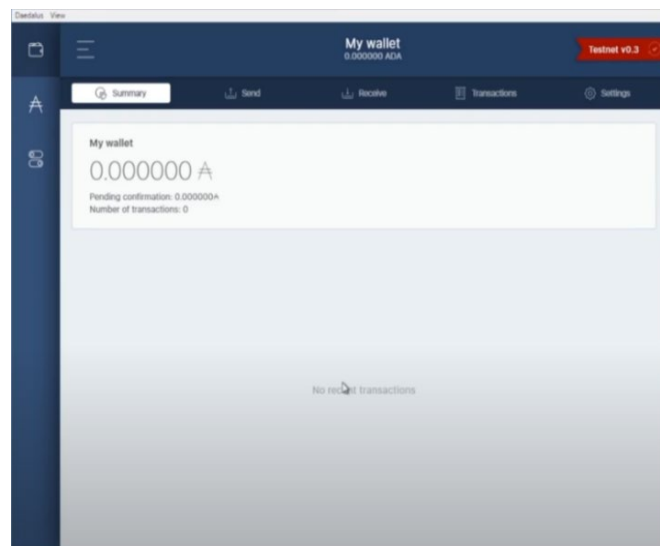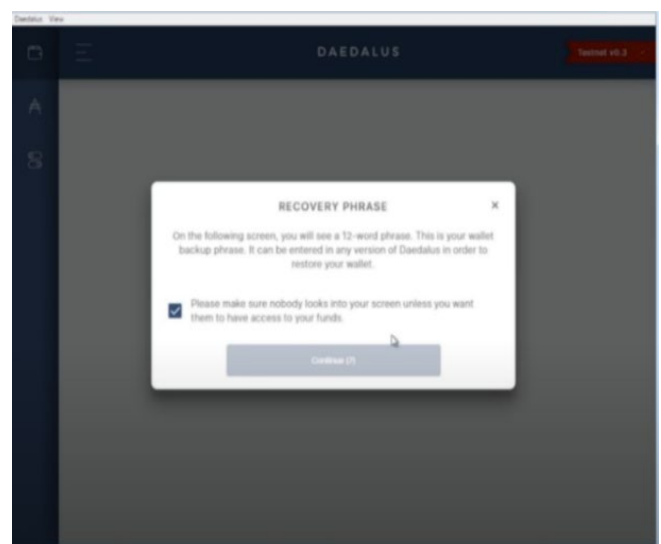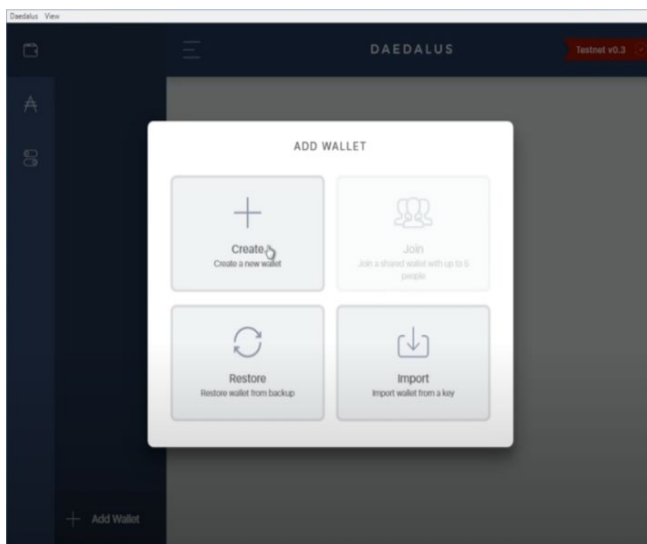
---

[180] *See* Cardano Foundation, *Daedalus tutorial video. Cardano Testnet 0.3 [English]*, YOUTUBE (April 13, 2017), *available at* https://www.youtube.com/watch?v=jfv7Ha8cPps.

To begin the redemption process, a Voucher Holder first navigated to the ada Redemption tab on Daedalus.[181] Upon selecting the ada Redemption tab, multiple options existed to redeem ada: (1) Regular Vend; (2) Force Vend; (3) Paper Vend; (4) Recovery – regular; and (5) Recovery – force vended. The selected option depended on how the Voucher Holder used (or did not use) the AVVM to generate a Voucher Certificate. If the Voucher Holder generated the Voucher Certificate, the Voucher Holder selected Regular Vend. If the Voucher Holder attempted to use the AVVM but was unsuccessful or if the Voucher Holder did not use the AVVM in time, the Voucher Holder instead received the Voucher Certificate via email and selected Force Vend. If the Voucher Holder received a physical copy of the Voucher Certificate by mail, the Voucher Holder selected Paper Vend. Lastly, if the Voucher Holder contacted the Recovery Service for a Voucher Certificate, the Voucher Holder selected one of the recovery options. See sample screenshots below to illustrate.
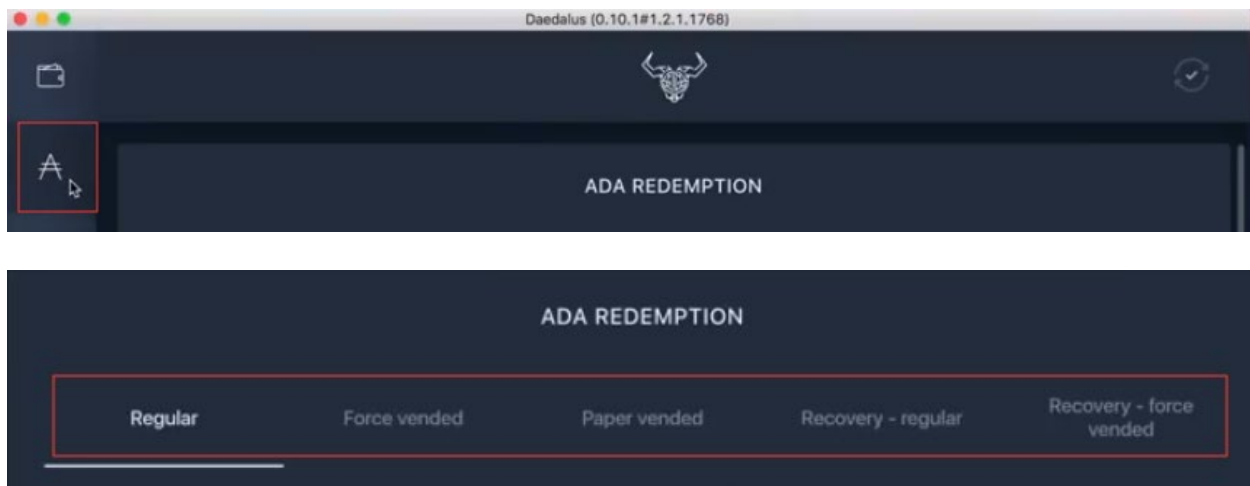
Depending on the type of vend selected, Daedalus required different specific inputs to redeem ada pursuant to the Voucher Program. As an example, for a Regular Vend, the information included either the Redemption Code or a PDF upload of the Voucher Certificate that contained

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the Redemption Code. If a PDF was uploaded, Daedalus automatically extracted the Redemption Code. For all five options, the Voucher Holder would select the Cardano wallet to receive the ada and enter the password associated with that wallet. As such, the Voucher Holder already needed to set up a self-hosted Cardano wallet on Daedalus before redeeming the ada from the Voucher. See sample screenshot below to illustrate the inputs for a Regular Vend redemption.

For all redemptions options, after the required information was entered, the Voucher Holder clicked the "Redeem your Ada" button. Daedalus then checked that the hash was found in the Genesis Block, and once verified, an on-chain transaction sent the amount of ada associated with that specific Redemption Code from the Genesis Block allocation address to the new wallet address specified by the Voucher Holder.[182] It was only at that point that the Voucher Holder actually obtained the actual ada.

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[182]   Interview of Input Output Engineer 1 (July 8, 2025).

An example of a successful on-chain Daedalus redemption transaction initiated on September 30, 2017 (one week after TGE) is located at Cardano transaction hash 095a3d496ed5e499c05c4bd43b6e0b304ac23d74c1540359446856e29c6fc678.[183]

This transaction successfully redeemed 9,999,300 ada pursuant to the Voucher Program. The transaction shows that the claimed ada was sent from address Ae2tdPwUPEZHFQnrr2dYB4GEQ8WVKspEyrg29pJ3f7qdjzaxjeShEEokF5f, which received the 9,999,300 ada from the Genesis Block on September 23, 2017 in transaction hash 8ee33c9906974706223d7d500d63bbee2369d7150f972757a9fdded2f706b938. The redeemed ada was then sent to the Voucher Holder's self-hosted wallet address DdzFFzCqrht7Q4q8dztihy3J7XWUCg9hvere16WM3wVyqmzVkXN2DcDKG4u38skADUUoA sv2s5gFjyqyZ8vGNsmari3SCskZj43x2sjZ after the successful input of a Redemption Code approximately one week following the Cardano blockchain mainnet launch.

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[183] *See Transaction 27991#0,* CARDANOSCAN.IO (September 30, 2017), *available at* https://cardanoscan.io/transaction/095a3d496ed5e499c05c4bd43b6e0b304ac23d74c1540359446856e29c6fc678?tab =utxo.

C.   **The Recovery Service Attempted to Locate Voucher Holders Who Lost Access to Their Purchase Receipt or Email Address**

During the AVVM process, a Voucher Holder could also sign up for the Recovery Service, which was highly recommended by Sawyers. The Recovery Service stored an encrypted version of the Voucher Certificate with Atix Labs in the event the Voucher Holder lost the Voucher Certificate.[184] The Recovery Service sent the encryption passphrase to decrypt the Voucher Certificate to Sawyers.[185]

During the Byron era, certain Voucher Holders lost access to their Purchase Receipt and/or email addresses. As a result, those Voucher Holders could not use their Purchase Receipt to obtain a Voucher Certificate, nor could they use their email to access their Voucher Certificate by Force Vend. In those situations, Sawyers led Recovery Service efforts by which Voucher Holders could reverify their KYC and recover their Voucher Certificates.[186] The Recovery Service did not send ada to unredeemed Voucher Holders who passed the KYC verification but instead re-sent the Voucher Certificate.

The Recovery Service procedures included collecting personal identifiable information to reassess KYC compliance and minimize fraud. In his interview, Post-Sweep Project Team Member 3 recalled that Sawyers sent the KYC information of participants in the Recovery Service to a company called BitFrontier. According to the agreement with BitFrontier, BitFrontier then "authenticated" the KYC information the Voucher Holder used in the Sales App and compared that information to the current data.[187] The Recovery Service opened for approximately one year starting in late spring 2018, and conducted in-person seminars across Japan. An initial email was

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[184]   *See* ADA Voucher Mnemonic and Voucher Recovery Process Services Agreement (December 30, 2016) (REVIOGC0011-00000074).
[185]   *Id*.
[186]   *See* Recovery Service Project Plan (June 26, 2017) (REVIOGC0011-00586957).
[187]   *See* Services Agreement between Sawyers and BitFrontier (August 9, 2017) (REVIOGC0011-00000075).

sent to unredeemed Voucher Holders, with the following template, including the Recovery Service

contact information and steps to follow:[188]

```
From:       CARDANO Recovery <auth@cardano-recovery.com>
Sent:       Fri 4/27/2018 8:09:24 AM (UTC)
To:         ███████████████
Subject:    [Important] About CARDANO ADA coin redemption

Dear ███████████,

This is Cardano Recovery, the institution providing customer support for Ada pre-sale buyers.

This email is sent out to buyers that fulfill the conditions stated below:
1. Have purchased Ada coins from Attain Corporation
2. Have not redeemed (received in Daedalus wallet) their Ada coins yet

We highly recommend if you are holding onto a certificate that you redeem your Ada.
If you have not redeemed because you have lost your certificate or for some other reason, you will be
able to go through recovery to get your certificates.

Please note that the official Ada redemption customer service will be closing from January, 2019 so you
will need to handle the recovery process by yourself from thereon.

If you have any questions about Ada redemption, please fill out the form below.
After going through your form input our officer will contact you through email.
This form will be going offline from January, 2019.
https://inquiry-form.cardano-recovery.com/

All future communication will be from this email address domain @cardano-recovery. Please mark this
email with your email client if you can.
When the service opens, you will receive invitation code and link to https://cardano-
recovery.github.io/cardea-form/ .

Best regards,
Cardano Recovery
```

After contact, the alleged Voucher Holder then submitted a recovery request found on the

Recovery Service website or in the body of the email, which included contact information and

KYC information. Recovery Service personnel then conducted a telephone call, video call, or in

person interview. If the individual passed the KYC check, the Voucher Holder received two

emails, one containing the encrypted Voucher Certificate and another containing the decryption

password. In total, the Recovery Service emailed requests to 563 Voucher Holders and helped

recover 203 Vouchers.[189]

In his interview, Former Input Output Project Manager 1 explained that the Recovery

Service helped users who lost access to their Voucher Certificates or email accounts, and that it

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[188] *See* Email from Cardano Recovery to Post-Sweep Project Team Member 3 regarding Recovery Service (April 27, 2018) (REVIOGC0011-00206589).
[189] *See* ADA Sale History (n.d.) (REVIOGC0011-00087785).

did not process redemptions directly.[190] However, Former Input Output Project Manager 1 did

recount instances in which Voucher Holders misunderstood follow-up communications as scams,

leading to missed recovery opportunities pursuant to the Recovery Service.[191] Former Input

Output Project Manager 1 recalled that "there's a post somewhere about someone saying they were

trying to redeem and received a call… and thought it was a scam." Post-Sweep Project Team

Member 3 confirmed the purpose of the Recovery Service as a "safeguard" to the Voucher

Program.[192]

D.   Byron Era Voucher Redemption Reconciliation

On-chain redemptions from Voucher Holders totaled 14,012 Vouchers (or 97.3%) out of

the 14,402 Vouchers sold. Of the original Voucher Program distribution of 25,927,070,538 ada,

25,608,869,978 ada (or 98.8%) was redeemed on-chain using the above-described processes. The

remaining 318,200,560 ada was unredeemed as of the Shelley Upgrade. Based on Blockchain

Transaction Data, BDO confirmed the following:

Genesis Distribution	
Activity	**ada Amount**
Foundation	648,176,763
EMURGO	2,074,165,643
Input Output	2,463,071,701
Voucher Program Distribution	25,927,070,538
Total ada For Distribution	**31,112,484,645**
ada Redeemed On-Chain from Voucher Program Distribution	25,608,869,978
Total Amount Unredeemed as of the Shelley Upgrade	**318,200,560**

Some Voucher Holders failed to redeem their ada for multiple reasons in the approximate

3-year window between the mainnet Cardano launch in September 2017 (i.e., Daedalus

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[190]   Interview of Former Input Output Project Manager 1 (July 9, 2025).
[191]   *Id*.
[192]   Interview of Post-Sweep Project Team Member 3 (July 9, 2025).

redemptions opened) and when on-chain redemptions stopped at the Shelley Upgrade in July 2020. Unredeemed Vouchers during this period may have resulted from any of the following scenarios (among others): a Voucher Holder (1) simply forgot about their Voucher; (2) had hesitation in creating a cryptocurrency wallet or using Daedalus; (3) lost the Voucher Certificate; (4) no longer had access to the email used in the original sale; or (5) passed away.[193]

As an example, Voucher Holder 1 indicated that they were "aware" of redemptions once the Cardano blockchain launched.[194] However, Voucher Holder 1 ultimately did not redeem using Daedalus because "at the time I was very busy with work and let the redemption period pass."[195]

VII. CARDANO BLOCKCHAIN UPGRADES

A. Key Cardano Stakeholders Agreed to Move From An On-Chain Redemption Framework to an Off-Chain Manual Redemption Project

During the 2019 Miami Meeting, key Cardano stakeholders (including Hoskinson, Wood, and the Foundation) met to discuss the Voucher Program and to plan next steps.[196] Specifically, at the 2019 Miami Meeting, the participants discussed the upcoming Shelley Upgrade, which required that redemptions transition to a manual process and to execute a sweep of the ada associated with unredeemed Vouchers.[197]

One reason offered for the decision to move redemptions to a manual process was a concern that there was a high likelihood of fraudulent redemption attempts if the on-chain process continued. Hoskinson explained that when Attain dissolved in 2017, the compliance data may have been compromised or exploited in a way that "increased the probability" that redemptions

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[193]   *Id.*
[194]   Interview of Voucher Holder 1 (July 23, 2025).
[195]   *Id.*
[196]   *See* Email concerning reallocation of unredeemed ada (June 23, 2023) (REVIOGC0011-00001432); Interview of Charles Hoskinson Part 2 (July 28, 2025); Interview of Post-Sweep Project Team Member 3 (July 9, 2025).
[197]   Interview of Charles Hoskinson Part 1 (July 25, 2025).

would be compromised.[198] Post-Sweep Project Team Member 3 agreed, stating that they thought that if the automated redemption process continued there was a risk of "lots of buyers getting fooled by malicious actors (rising in the void left by Attain) to hand over their keys and consequently lo[]sing all their ada."[199]

At the 2019 Miami Meeting, there was a "heated debate between [Hoskinson] and [Wood] regarding the rightfulness of extracting the unredeemed Ada for this purpose…of which in one hand we had the attempt to make the moral high-ground of preventing more buyers from lo[]sing their [ada] to malicious actors and in the other not to interfere with the [Voucher Program] allocation post launch."[200] If no action was taken, the unredeemed ada could have been lost forever and any remaining unredeemed Voucher Holders would have lost their opportunity to redeem their ada.[201] Hoskinson explained that over time, on-chain redemptions slowed to a point where many of the unredeemed Vouchers "would not have been redeemed or been stolen."[202] Therefore, "sweeping" the unredeemed ada into the Reserve was seen as a necessary precaution.[203] For example, the unredeemed Vouchers that were non-functional after the Shelley Upgrade (*see infra* Section VII.B.) left "dangling" entries in the Cardano ledger because on-chain redemption was no longer supported.

In addition, the technology required to implement and maintain the automated redemptions after the Shelley Upgrade was complicated and costly when weighed against the small number of remaining unredeemed Voucher Holders. Hoskinson explained in his interview that if on-chain

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[198]   *Id*.
[199]   *See* Email concerning reallocation of unredeemed ada (June 23, 2023) (REVIOGC0011-00001432).
[200]   *Id*.
[201]   Interview of Charles Hoskinson Part 1 (July 25, 2025).
[202]   *Id*.
[203]   Interview of Input Output Engineer 1 (July 8, 2025).

redemptions were compatible with the Shelley Upgrade, "[i]t would have added months and millions of dollars" to an already multi-year delayed upgrade.[204]

Ultimately, Hoskinson, Wood, and the Foundation decided that these concerns warranted the removal of on-chain redemptions.[205] In the 2019 Miami Meeting, the key stakeholders decided that the use of the unredeemed Voucher Program ada would only be for allowing redemptions in a new manual format, which eventually became the Post-Sweep Redemption Project. Hoskinson explained that there were no discussions of staking or donation of the unredeemed Voucher Program ada at that time.[206]

The implementation of that change started at the Shelley Upgrade. The Allegra Upgrade subsequently removed these UTXO entries and "swept" the corresponding ada into the Reserve.[207]

B.   Shelley Upgrade

The Shelley Upgrade occurred on July 29, 2020.[208] While the Shelley Upgrade (along with other Cardano blockchain upgrades) was labeled as a "hard fork," these Cardano upgrades were not "hard forks" as that term has been used concerning other blockchains, like Ethereum. The common definition of a hard fork is when a blockchain undergoes a change that creates two versions of the blockchain. For example, Bitcoin and Bitcoin Cash in August 2017 and Ethereum and Ethereum Classic in July 2016 are two examples of traditional hard forks creating two different blockchains. Instead, Cardano's blockchain upgrades resulted in one version of the Cardano

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204   Interview of Charles Hoskinson Part 1 (July 25, 2025).
205   Interview of Post-Sweep Project Team Member 3 (July 9, 2025).
206   Interview of Charles Hoskinson Part 1 (July 25, 2025).
207   Interview of Input Output Engineer 1 (July 8, 2025).
208   *See* IOHK_Tim, *The Shelley hard fork: all you need to know*, CARDANO FORUM (July 28, 2020), *available at* https://forum.cardano.org/t/the-shelley-hard-fork-all-you-need-to-know/36553.

blockchain. As Input Output disclosed in a forum post in July 2020, "[t]here will be no chain split and no token swap or similar."[209]

The Shelley Upgrade changed the Cardano blockchain and was initiated by the Genesis Key holders. Specifically, the Shelley Upgrade was approved using all seven delegate keys of the Genesis Keys.[210] These upgrade transactions required internal sign-off from key stakeholders, and usage of all seven delegate keys of the Genesis Keys.[211]

The Shelley Upgrade allowed Daedalus users to upgrade the Daedalus software and create a new "Shelley-compatible" wallet. Byron era Daedalus wallets used a 12-word recovery phrase, but new Shelley-era wallets required a 24-word recovery phrase.[212] In addition, Byron era addresses start with the prefix "DdzFFz" for Daedalus and "Ae2td" for Yoroi wallets, while Shelley-era addresses started with an "addr1" prefix. While the ada in Byron-era wallets remained safely in those wallets, those wallets were specifically marked as "legacy" Byron era wallets. See sample screenshot below to illustrate.

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[209] *See* IOHK_Tim, *The Shelley hard fork: all you need to know*, Cardano forum (July 28, 2020), *available at* https://forum.cardano.org/t/the-shelley-hard-fork-all-you-need-to-know/36553.
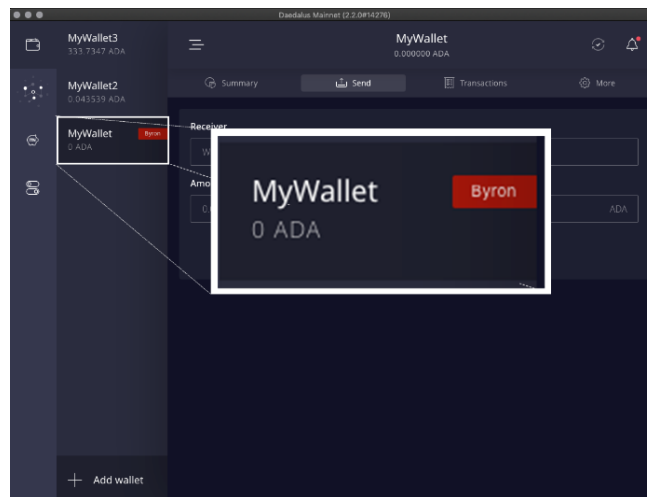[210] Interview of Input Output Engineer 1 (July 8, 2025).
[211] *Id.*
[212] *See* IOHK_Tim, *The Shelley hard fork: all you need to know*, Cardano forum (July 28, 2020), *available at* https://forum.cardano.org/t/the-shelley-hard-fork-all-you-need-to-know/36553.

Ada in Byron era wallets could be migrated (i.e., sent) to new Shelley compatible addresses that support staking, delegation, and reward earning potential.[213]

After the Shelley Upgrade, the Byron era addresses that held unredeemed ada pursuant to the Voucher Program became unspendable. Thus, on-chain redemptions using Daedalus were not possible.[214] The Byron to Shelley transition used four types of addresses: base, pointer, enterprise, and bootstrap.[215] "Bootstrap" addresses corresponded to addresses in the Byron era, and were needed to accommodate entries from the Byron era following the Shelley Upgrade. However, the "bootstrap" addresses were "not intended to include Byron era redeem addresses" associated with the Voucher Program.[216]

C.   Allegra Upgrade

Following the Shelley Upgrade, the Allegra Upgrade occurred on December 16, 2020. The Allegra Upgrade introduced token locking support to enable various kinds of smart contract use cases on the Cardano blockchain.[217] Shortly before the Allegra Upgrade, all seven (7) Genesis Key holders, consistent with the governance documents during that era, submitted and signed an on-chain proposal.[218] The "Protocol Updates" field shows all Genesis Keys proposed moving the blockchain to protocol version 3.0 (Allegra).[219] While the Allegra Upgrade was a relatively minor

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[213] *See* IOHK ZenDesk, *available at* https://iohk.zendesk.com/hc/en-us/articles/900002873923-Shelley-wallets; Interview of Input Output Engineer 1 (July 8, 2025).

[214] Interview of Input Output Engineer 1 (July 8, 2025).

[215] Jared Corduan, Polina Vinogradova & Matthias Güdemann, *A Formal Specification of the Cardano Ledger,* IOHK, p. 9 (October 15, 2019), *available at* https://github.com/intersectmbo/cardano-ledger/releases/latest/download/shelley-ledger.pdf.

[216] *Id*. at 115.

[217] *See* Cardano, *Cardano Evolution, Upgrades Explained: Allegra*, CARDANO DOCS (n.d.) (last visited August 1, 2025), *available at* https://docs.cardano.org/about-cardano/evolution/upgrades/allegra.

[218] *See* Carlos LopezDeLara, *Cardano Governance: Cardano ledger eras*, CARDANO DEVELOPERS PORTAL (last updated January 22, 2025), *available at* https://developers.cardano.org/docs/get-started/cardano-cli/governance/.

[219] *See* *Transaction Details*, CARDANOSCAN (Dec 12, 2020), *available at* https://cardanoscan.io/transaction/1fbd16c1d1b1933f2f97a313db8c749bdcf65a39d996515b0f5e5535baad68e8?tab=protocolupdates.

technical change to the underlying protocol, this upgrade prepared Cardano for the creation of on-chain assets other than ada.

Instrumental to the Allegra Update was pull request No. 1993, which was published in the Cardano ledger on October 23, 2020, and created a necessary function entitled "returnRedeemAddrsToReserves."[220] The publisher of the pull request stated that this request "removes the Byron redeemer addresses during the transition to Allegra [Upgrade] and adds the corresponding lovelace to the reserves. (Note that redeemer addresses are not spendable [after] Shelley [Upgrade], and given the permanent history can be returned by MIR certs)."[221]

At the Allegra Upgrade, this function aggregated all unredeemed ada from Byron-era addresses that were unspendable after the Shelley Upgrade and transferred the unredeemed ada to the Reserve. Prior to implementing the Allegra Upgrade, test transactions ensured that the total ada supply would remain unchanged. The transaction hash for the Allegra Upgrade is 1fbd16c1d1b1933f2f97a313db8c749bdcf65a39d996515b0f5e5535baad68e8.[222] All seven Genesis Keys signed the transaction.[223]

Following the Allegra Upgrade transaction, an additional comment was added to the Shelley Upgrade specifications at pull request #2332.[224] The comment specifically disclosed that the addresses containing unredeemed ada became "not spendable" after the Shelley Upgrade and

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[220] *See* Jared Corduan, *remove bootstrap redeemer address in allegra #1933*, GITHUB (October 23, 2020), *available at* https://github.com/IntersectMBO/cardano-ledger/pull/1933.

[221] *Id.*

[222] *See Transaction Details*, CARDANOSCAN (Dec 12, 2020 2:04:56 PM), *available at* https://cardanoscan.io/transaction/1fbd16c1d1b1933f2f97a313db8c749bdcf65a39d996515b0f5e5535baad68e8?tab=protocolupdates.

[223] *Id.*

[224] *See* Jared Corduan, *Shelley Spec errata and cleanup #2332*, GITHUB (June 15, 2021), *available at* https://github.com/IntersectMBO/cardano-ledger/pull/2332.

thus "[a]t the Allegra [Upgrade] they were removed from the UTXO and the [ada] contained in them was returned to the [Reserve]."[225]

VIII.   STAKING OF UNREDEEMED ADA MOVED TO THE RESERVE

Following the sweep, while the ada remained in the Reserve, the three founding entities discussed who would lead the off-chain, manual redemption process. Initially, the Foundation agreed to lead these efforts, which Hoskinson described as "ma[king] the most sense" because the Foundation is "a not-for-profit and its key mandate is welfare of the [Cardano] ecosystem as a whole."[226] However, the Foundation ultimately failed to lead these efforts and eventually Sawyers decided to assume leadership for the Post-Sweep Redemption Project. Sawyers then started hiring multiple external vendors such as PIs, customer service representatives, and a custodian. In addition, Sawyers set up a team whose sole focus was on the Post-Sweep Redemption Project.

These actions by Sawyers involved substantial (and still ongoing) cost of over $5 million that was not covered by any existing mechanism or other entity. Rather than allow the unredeemed ada from the Voucher Program to sit dormant in the Reserve while Sawyers began investigating and pursuing unclaimed Vouchers, Sawyers decided to stake that ada and use the staking rewards to fund the cost of the Post-Sweep Redemption Project. Hoskinson explained that the Post-Sweep Redemption Project was "a very expensive and time-consuming process and none of these fees were carried to the [Voucher Holder]."[227] Sawyers received legal advice from a Japanese law firm that concluded that it was permissible to stake the unredeemed ada.[228] Post-Sweep Project Team

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[225] *See* Jared Corduan, Polina Vinogradova & Matthias Güdemann, *A Formal Specification of the Cardano Ledger,* IOHK, Sec. 17.5 (October 15, 2019), *available at* https://github.com/intersectmbo/cardano-ledger/releases/latest/download/shelley-ledger.pdf.
[226] Interview of Charles Hoskinson Part 2 (July 28, 2025).
[227] *Id*.
[228] Interview of Charles Hoskinson Part 1 (July 25, 2025).

Member 1 confirmed that "we needed external counsel who [specializes] in Japanese law" to "help with the legal and cultural part" of the Post-Sweep Redemption Project.[229]

Hoskinson further explained that "Sawyers could not have done this task without a revenue stream" because "it is not cheap to find [unredeemed Voucher Holders] and make redemption paths available to them" so "staking was the appropriate option."[230] Input Output Executive 1 and Hoskinson both noted that they did not recall a single instance where an unredeemed Voucher Holder asked for the staking rewards, especially since staking did not exist until multiple years after the original Voucher Program.[231]

Beginning in the summer of 2021, Sawyers began discussions with Wave to take custody and stake the remaining unredeemed ada from the Voucher Program. The idea, discussed further in June 2021, was that Wave, an investment advisor registered with and regulated by the SEC, custody and stake the unredeemed ada to ensure proper governance and fund segregation.[232] Sawyers would then instruct Wave to distribute the ada to unredeemed Voucher Holders that passed the requirements set by the Post-Sweep Redemption Project.[233] This structure allowed Sawyers to focus on managing the redemptions while Wave safely custodied and staked the unredeemed ada, and also assisted in processing payments to Voucher Holders.

A.   The MIR Transaction Sent the Unredeemed ada to Staking Addresses

Sawyers calculated that as of the Shelley Upgrade, 318,200,560 ada remained unredeemed from the Voucher Program.[234] On October 23, 2021, the allocation of ada for the Voucher Program

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[229]   Interview of Post-Sweep Project Team Member 1 (July 10, 2025).
[230]   Interview of Charles Hoskinson Part 2 (July 28, 2025).
[231]   Interview of Input Output Executive 1 (July 25, 2025).
[232]   *See* Email between Wave and Input Output concerning set up of Vehicle (June 17, 2021) (REVIOGC0011-00312801).
[233]   *Id.*
[234]   *See* Email between Wave and Input Output concerning amount of ada for the Vehicle (July 15, 2021) (REVIOGC0011-00150212).

that was still unredeemed was removed from the Reserve and allocated to the six different Wave staking addresses by an MIR transaction. While an MIR transaction was initially created to move ITN rewards from the Reserve to participants of the ITN, MIR transactions could also transfer funds directly to certain addresses.[235] MIR transactions require the use of Genesis Keys, and Input Output, EMURGO, and the Foundation approved the October 23, 2021 transactions.[236] The total amount removed from the Reserve to staking addresses was 318,200,580 ada, which Input Output calculated by reviewing the amount of ada moved to the Reserve from the Allegra Upgrade, adding 600 ada for test transactions and a 20 ada "roundup."[237] The transaction hash for the MIR transaction that moved the ada from the Reserve to the six different staking addresses is 03b02cff29a5f2dfc827e00345eaab8b29a3d740e9878aa6e5dd2b52da0763c5.[238]

The metadata for that transaction indicates that the published purpose of that transaction was for the "presale-escrow" and that the ada was "moved from reserves to ada pre-sale redemption escrow." The transaction included the metadata to ensure transparency and clarity so the community could see the purpose of such a large on-chain transfer.[239] Post-Sweep Project Team Member 3 confirmed that the MIR transaction included the metadata to ensure transparency.[240]

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[235] *See* Kevin Hammond and Jared Corduan, *Catalyst Town Hall Presentation - Cardano Treasury with Kevin Hammond*, GITBOOK.IO (April 20, 2022), *available at* https://quality-assurance-dao.gitbook.io/community-governance-oversight/catalyst-parameters/governance-parameters/cardano-treasury-with-kevin-hammond#central-funds-transfers-mirs; *See* Cardano, *Cardano C documentation – Move Instantaneous Reward Types*, CARDANO-C.READTHEDOCS.IO (last visited August 1, 2025), *available at* https://cardano-c.readthedocs.io/en/latest/api/certs/mir_cert_type.html; *See also* GistFile, GITHUB (last updated 2021), *available at* https://gist.github.com/disassembler/477ec211720a858c9fa96e29d7656409.

[236] *Id.*

[237] For the MIR test transactions, *see Transaction 6392071#85*, ADASTAT.NET (October 19, 2021), available at https://adastat.net/transactions/3d24e82502b671f2423cc862d4e3199164ceba8cd4711c680ca4a6b408d3ff60; *See also* Email from Input Output Executive 1 concerning MIR transactions (October 23, 2021) (REVIOGC0011-00017643).

[238] *See Transaction 6407962#6*, ADASTAT.NET (October 23, 2021), *available at* https://adastat.net/transactions/03b02cff29a5f2dfc827e00345eaab8b29a3d740e9878aa6e5dd2b52da0763c5.

[239] Interview of Input Output Engineer 1 (July 8, 2025).

[240] Interview of Post-Sweep Project Team Member 3 (July 9, 2025).

Index	Key	Data
0	0	{ "presale-escrow": "Moved from reserves to ada pre-sale redemption escrow" }

Each staking account and the amount of distribution is shown below:

Index	Staking Account	Amount	Type
5	ec8c25a1ca...5cd807 stake1u8kg...cdda8v	₳66,000,000.000000	Reserves
4	de4f7a524e...a1d540 stake1u80y...t8epdn	₳66,000,000.000000	Reserves
3	cfe90c9f6b...5d8955 stake1u887...3gty8j	₳27,099,990.000000	Reserves
2	764dcf557b...4957f1 stake1u9my...qdj6lh	₳27,099,990.000000	Reserves
1	2ce8503b74...5da30e stake1uykw...5lgv4n	₳66,000,000.000000	Reserves
0	0fa8268618...0a3659 stake1uy86...wkpjjv	₳66,000,000.000000	Reserves

B.   Wave Staked the Unredeemed ADA to Fund Redemption Efforts

Pursuant to the staking arrangement, Input Output (on behalf of Sawyers) entered into a Subscription Agreement with Wave SME 632 Ltd., a BVI business company serving as a Vehicle managed by Wave, a Delaware limited liability company.[241]   According to the Subscription Agreement (see excerpt below), Input Output transferred 318,200,980 ada in return for Sawyers' equity in the Vehicle.[242]   Upon receiving the transferred ada, Wave staked the ada to generate revenue.

Overview and Accounting Treatment of the transfer of ADA to Recipients	The Subscriber will contribute ADA tokens to the Vehicle and the overarching function of the Vehicle is for the Investment Manager to manage the portfolio of ADA tokens and generate income and capital appreciation in anticipation of future redemptions by the Subscriber. Over the course of the lifetime of the Vehicle, the Subscriber will arrange to distribute the ADA, in coordination with the Director, to the Recipients as determined at all times by the Subscriber.

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[241]   *See* Subscription Agreement (November 10, 2021) (REVIOGC0011-00000186).
[242]   *Id.*

Wave, instructed by Sawyers, did not "want to take more risks to generate yield" because there was "a requirement to keep all the tokens which kept precedence over everything."[243] Since the unredeemed Voucher Holders' claim was priced in ada tokens, "preserving the right amount of tokens is more [important] than the dollar amount."[244] Input Output Finance Employee 1 further explained that this approach was designed to avoid default risk and preserve capital because maintaining the full value of the ada amount was considered more important than generating additional returns. Specifically, Input Output Finance Employee 1 stated in September 2022 that "it is probably best to avoid [any] low probability, high negative impact outcomes."[245] As a result, Wave only staked the unredeemed ada and did not deploy the ada for any other purpose. "Because assets and liabilities were one-to-one, it would be easy to slip into default if additional risk was taken on," they said. "The asset to liability ratio never went below one-to-one."[246]

The Subscription Agreement explicitly acknowledged that third parties (the unredeemed Voucher Holders), and not Input Output, had the right to the ada in the Vehicle.[247] In addition, the Subscription Agreement contained limitations on the right to redeem ada but permitted doing so for the satisfaction of Voucher Holder claims.[248] To ensure that such redemptions were for Voucher Holders, the Voucher Holder had to provide a wallet address and confirm that the provided address was owned and controlled by them.[249] After proving to Wave that a Voucher Holder was requesting redemption, the corresponding ada was transferred to the Voucher Holder.[250] During its engagement with the Vehicle and Wave, Sawyers submitted numerous

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[243] Interview of Wave Employee 1 (July 21, 2025).
[244] *Id*.
[245] Interview of Input Output Finance Employee 1 (July 21, 2025).
[246] Interview of Input Output Finance Employee 1 (July 21, 2025).
[247] *See* Subscription Agreement (February 2, 2022) (REVIOGC0011-00000186) at Section 4.6(c).
[248] *Id.* at Section 4.6.
[249] *Id.*
[250] *Id.* at Appendix 5.

redemption requests on behalf of Voucher Holders which contained personal information and wallet addresses sufficient to satisfy the redemption requirements.[251] These redemption efforts and transfers are further discussed below.

> (c) every ADA contributed to the Vehicle as part of an in-kind subscription may also have an affiliated liability to return the relevant ADA to the relevant claimant of that token (each, a **Recipient**) as and when they are determined (the **Affiliated Liability**) and it takes full responsibility for the legal validity of the assignment of the Affiliated Liabilities as part of the subscription for Shares.

IX. POST-SWEEP REDEMPTION EFFORTS

Following the Allegra Upgrade in December 2020, 390 unredeemed Vouchers totaling 318,200,560 ada existed.[252] Sawyers created the Post-Sweep Redemption Project and formed a project team specifically tasked with investigating, locating, and redeeming all 390 unredeemed Vouchers.

As stated above, Sawyers initially discussed whether the Foundation could lead the post-Shelley redemption effort. Although substantial planning was undertaken, the Foundation ultimately declined to proceed.[253] As a result, Sawyers undertook the process of designing and executing a redemption program from scratch because on-chain redemptions (i.e., using Daedalus or Yoroi) were not possible after the Shelley Upgrade.

The manual, off-chain process was not operational directly following the cessation of on-chain redemptions and discussions with the Foundation that eventually fell through. Despite Sawyers' diligence in setting up the Post-Sweep Redemption Project, this created a period where redemptions could not proceed between July 2020 (Shelley Upgrade) and November 2021 (the first redemptions under the Post-Sweep Redemption Project). The primary reason for Sawyers'

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[251] *See e.g.*, Wave Digital Assets LLC, Redemption Notice (December 20, 2024) (REVIOGC0011-00000183).
[252] *See* Voucher List Excel file (REVIOGC0011-00938544).
[253] Interview of Input Output Executive 1 (July 29, 2025); Interview of Charles Hoskinson Part 2 (July 28, 2025).

delay had to do with assembling the proper team, hiring service providers and vendors, creating and developing software, and establishing proper procedures. From scratch, Sawyers built robust policies, processes, and features to ensure that the Post-Sweep Redemption Project redeemed only legitimate Voucher Holders. Input Output Executive 1 confirmed this, stating that "we needed something robust enough to make sure the ada was given…to the right people."[254] In addition, Sawyers did not want to "broadcast [the Post-Sweep Redemption Project] to the world [because] we wanted to make sure we could reach out to valid Claimants and make sure we could have that conversation with Claimants."[255] Nonetheless, there were certain discrete posts made on the Input Output website.[256]

Starting in early 2021, Sawyers retained several service providers to aid in the Post-Sweep Redemption Project, including a law firm, multiple private investigators, and external consultants. Specifically, Sawyers hired Orange & Bronze, ETS, RemixPoint, Lightning Communications, and Island Hill to assist in locating and processing unredeemed Voucher Holders (also known as Claimants).[257] While Sawyers managed the Post-Sweep Redemption Project and hired the vendors, invoices were paid by Input Output and reimbursed through liquidation of Wave's staking rewards.

Together, these vendors formed a multidisciplinary coalition that enabled Sawyers to execute the Post-Sweep Redemption Project effectively. A summary of certain service providers is set forth below:

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[254]   Interview of Input Output Executive 1 (July 29, 2025).
[255]   *Id*.
[256]   *See* IOHK ZenDesk, (last updated in 2023), available at https://iohk.zendesk.com/hc/en-us/articles/900003850926-Ada-Redemption.
[257]   IOHK, ADA Redemption: Resources & Plan Overview (May 17, 2025) (REVIOGC0011-00661485).

Vendor	ETS (PI)	RemixPoint	Lightning Communications (Door-to-Door)	Lightning Communications (Customer Support)	Island Hills
Scope	• Investigate and find addresses for individuals or alternative mode of communication. • Used a sub-contractor in Japan.	• Matching checks & personifications. • First profile review. • Exchange account check. • Communication with Claimants. • Provide first level support to Claimants. • Provide support to LC for taking over the support contract.	• Locate Claimants where the invitation letter was not received. • Go to houses and inquire with neighbors & local offices.	• Support all communication with individuals. • Provide first level support to Claimants.	• Locate last 7 cases who were in process but not in active contact.
Time	Nov. 2021 – Nov. 2022	Feb. 2022 – March 2023	Aug. 2022 – April 2023	Feb. 2023 – Dec. 2024	Feb. – July 2025

Members of the Post-Sweep Redemption Project team recalled the efforts taken to locate and identify unredeemed Voucher Holders. Post-Sweep Project Team Member 1, who served as legal advisor to the Post-Sweep Redemption Project, explained that cultural sensitivity was critical in outreach: "We did put a lot of effort to find people who could best understand the culture…we had [members] living in Japan and…a translator." Post-Sweep Project Team Member 1 and 2 both acknowledged that the use of private investigators was controversial in Japan but ultimately effective. Post-Sweep Project Team Member 2 stated that the private investigators "knocked on doors which is no good [in Japan]," adding that "there [were] pros and cons and probably if we took different roads we would have regretted it … I think they tried everything."[258] Post-Sweep Project Team Member 1 further recalled that Input Output offered Claimants the opportunity to meet at [the law firm's] Tokyo office, even offering to cover train fares, stating that she thought "it was a good gesture of [Sawyers]."[259]

Post-Sweep Project Team Member 1 explained that the team "had a call every day" to "review the KYC submissions from the Claimants to check that this person looks like that, the

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[258] Interview of Post-Sweep Project Team Member 2 (July 10, 2025).
[259] Interview of Post-Sweep Project Team Member 1 (July 10, 2025).

driver license, is it matching, [is it a] fake photo, did they sign correctly."[260] In their interview,

Former Input Output Project Manager 1 described the effort as "pretty extensive," citing door

knocks, search efforts, media campaigns, multiple redemption tranches, and customer support

operations.[261] Input Output Executive 1 agreed, stating that Hoskinson "wanted it done fast and

done well."[262]

Post-Sweep Project Team Member 2 explained that the manual redemption process, though

difficult, was necessary to protect buyers: "It was necessary to protect them…I was told KYC is

very, very important to give ada to the right person to eliminate all the risks to give it to somebody

else."[263] Post-Sweep Project Team Member 1 stated that "[t]he most difficult part in the

redemption process was one thing – mak[ing] sure the Claimant is the true Claimant… We were

always afraid of fraudsters who could impersonate the true Claimant and then the true Claimant

will lose the ada."[264] Post-Sweep Project Team Member 1 concluded that "Charles [Hoskinson],

the management, they wanted to redeem as many people as possible and made their best efforts…

It was a huge success."[265]

The Post-Sweep Redemption Project's first redemptions began in November 2021, and

expanded in early 2022 after Sawyers established the necessary support systems and vendor

infrastructure. As of August 15, 2025, 241,310,061 ada has been redeemed to 246 Voucher

Holders pursuant to the Post-Sweep Redemption Project, which means that over 99% of original

Voucher Program ada has been successfully redeemed so far.

[260] *Id.*
[261] Interview of Former Input Output Project Manager 1 (July 9, 2025).
[262] Interview of Input Output Executive 1 (July 29, 2025).
[263] Interview of Post-Sweep Project Team Member 2 (July 10, 2025).
[264] *Id.*
[265] *Id.*

A. Sawyers Hired Orange & Bronze to Create a Secure KYC Document Exchange Application

In July 2021, Sawyers hired Orange & Bronze to provide software development services. Orange & Bronze developed a software application intended to facilitate the secure exchange of documents for KYC compliance checks during the Post-Sweep Redemption Project.[266] A few months after starting the development, the parties amended the engagement so that the software was end-to-end encrypted.[267] Sawyers viewed the development of secure software to conduct the KYC procedures and other compliance checks as a necessary first step in the Post-Sweep Redemption Project.

Sawyers suggested this update since the Post-Sweep Redemption Project would include collecting sensitive PII data, including government issued identification, selfies, and videos of the Claimants. In a memorandum from September 2021, Input Output Executive 1 explained to Hoskinson that "due to the value of the funds" for the Post-Sweep Redemption Project, "implementing end-to-end encryption of the redeemer's [PII] was in line with cybersecurity best practices."[268]

B. Sawyers Hired ETS Risk Management to Provide Private Investigation Services in Japan

Following the setup of the KYC software, IOHK USA LLC (on behalf of Sawyers) entered into an SSA with ETS at the end of 2021.[269] ETS, a private investigation firm, provided "intelligence, due-diligence and investigation services in Japan to facilitate the locating of

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[266] *See* Order Form with Orange & Bronze concerning End-to-End Encryption (September 13, 2021) (REVIOGC0011-00000119).
[267] *Id*.
[268] *See* Input Output Memorandum concerning End-to-End Encryption (September 13, 2021) (REVIOGC0011-00255923).
[269] *See* SSA (November 1, 2021) (REVIOGC0011-00000094).

individuals."[270] ETS Employee 1 stated that the goal "was to trace and locate…individuals associated with unredeemed Vouchers, so we could reach out and assist."[271]

ETS received the list of individuals to contact from Sawyers starting in November 2021, and began hiring a "big team" of local subcontractors in Japan who were fluent in Japanese, familiar with "local knowledge," and understood Japanese culture.[272] Initially, ETS used open-source intelligence software to locate unredeemed Voucher Holders and to confirm their current addresses. ETS conducted "real estate registry searches, government records searches, archived residential data searches, and postal and utility tracing."[273] If that process was unsuccessful, ETS performed site visits to the last known address of an unredeemed Voucher Holder, including liaising with city offices or conducting more intensive investigations.[274] ETS created and maintained a spreadsheet with Sawyers to monitor and track outreach and visitation progress.[275]

From November 2021 to the end of 2022, ETS conducted "boots on the ground" efforts through sub-contracted Japanese PIs to locate unredeemed Voucher Holders. For example, ETS sent out investigators to Voucher Holder addresses on file from the Sales App to physically knock on doors of Voucher Holders.[276] According to Post-Sweep Project Team Member 2, the practice of door knocking was "very impolite" in Japan and presented reputational and legal risk. Despite these concerns, Post-Sweep Project Team Member 1 agreed with the methods, stating, "They put a face to the letters, and they trust the people because they speak Japanese."[277]

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[270] *See id.*
[271] Interview of ETS Employee 1 (July 29, 2025).
[272] *Id.*
[273] *Id.*
[274] *Id.*
[275] *Id.*
[276] *See* Email concerning Post-Sweep Redemption Project (May 19, 2022) (REVIOGC0011-00000136).
[277] Interview of Post-Sweep Project Team Member 1 (July 10, 2025).

ETS's invoices from that time period confirm their due diligence and travel throughout Japan. As an example, ETS's November 2022 invoice contained timesheets showing the hours worked by various Japanese subcontractors and receipts showing travel expenses incurred throughout Japan.[278] Internal communications from Sawyers revealed that "when going through the records, [Sawyers] found that all except 1 case had either received a visit to their address by ETS Risk Management or [another private investigator], with that 1 case having been in contact and then no longer engaging with the support team in January 2023."[279]

In sum, ETS Employee 1 stated that "there was generally a feeling of motivation from [Sawyers] and [ETS] to actually try to get these people what they needed and what they deserved."[280] They further explained that they were "impressed that [Sawyers] were going to that level" and that they had "zero doubt that [Sawyers] went above and beyond" and "uncovered every stone that we possibly could."[281]

C.   **Sawyers Then Hired RemixPoint to Assist in the Post-Sweep Redemption Project Customer Service and KYC Verification**

Sawyers sought additional assistance from Japan-based companies to assist in the Post-Sweep Redemption Project. Starting in February 2022, Sawyers entered into an agreement with RemixPoint, a public Japanese company[282], to conduct outreach, verification, and customer support services for unredeemed Voucher Holders. The parties entered into the RemixPoint Services Agreement on February 15, 2022 that set forth the terms of the engagement.[283] Pursuant to Appendix A of the RemixPoint Services Agreement, RemixPoint's core responsibility was to

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[278] *See* Invoice from ETS Risk Management (November 1, 2022) (REVIOGC0011-00938543).
[279] Email concerning Post-Sweep Redemption Project updates (May 22, 2025) (REVIOGC0011-00015533).
[280] Interview of ETS Employee 1 (July 29, 2025).
[281] *Id*.
[282] At the time, RemixPoint was the owner and operator of BitPoint which was one of the earliest cryptocurrency exchanges regulated and registered by Japan's Financial Services Agency.
[283] Sawyers Holdings Ltd. & Remix Point Inc., Remix Point Services Agreement (February 15, 2022) (REVIOGC0011-00000145).

contact unredeemed Voucher Holders—whose identities were provided by Sawyers pursuant to the efforts of the PIs—by sending Claimant Letters. Sawyers and RemixPoint co-wrote and approved the Claimant Letter content.[284]

At the start of RemixPoint's engagement, RemixPoint sent an "invitation" Claimant Letter to Claimants. This letter introduced RemixPoint as a Japanese public company with an office in Tokyo, in an effort to make the Claimant feel more comfortable.[285] The letter stated that RemixPoint was hired "regarding the support to purchasers of [ada] Vouchers which have a right to be redeemed."[286] The letter explained that RemixPoint was "targeting persons who purchased [ada] Vouchers between the fall of 2015 and February 2017, who, on the basis of the [ada] Vouchers purchase history, were contacted in the past for [ada] redemption but said contact did not go through. We respectfully ask you to follow the procedures for this matter since if we can confirm that you are the legitimate owner of the [ada] Vouchers, this will be an important opportunity for you to receive a redemption of [ada]."[287] The letter also included a code and instructions to register with the redemption software.[288] The letter concluded with contact information for "24 hours support" at the email address adaredemption@remixpoint.co.jp and also provided a phone number.[289]

Sawyers provided RemixPoint access to original Sales App documentation, standard templates for initial Claimant communications and the packaged welcome box, the Orange & Bronze submission software, and ZenDesk access for direct Claimant communications.[290] Upon

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[284] *See id.* at Appendix A Secs. (a) and (b).

[285] *See* Letter concerning Post-Sweep Redemption Project from RemixPoint (April 22, 2022) (REVIOGC0011-00126209).

[286] *Id*.

[287] *Id*.

[288] *Id*.

[289] *Id*.

[290] Sawyers Holdings Ltd. & Remix Point Inc., Remix Point Services Agreement (February 15, 2022) (REVIOGC0011-00000145) at Appendix A Sec. 2.

receiving Claimant Letters, the Claimant submitted required information via an online portal using Orange & Bronze's encrypted PII submission. RemixPoint verified the submitted information against the Client Material.

The following diagram summarizes the process and involvement of RemixPoint:[291]
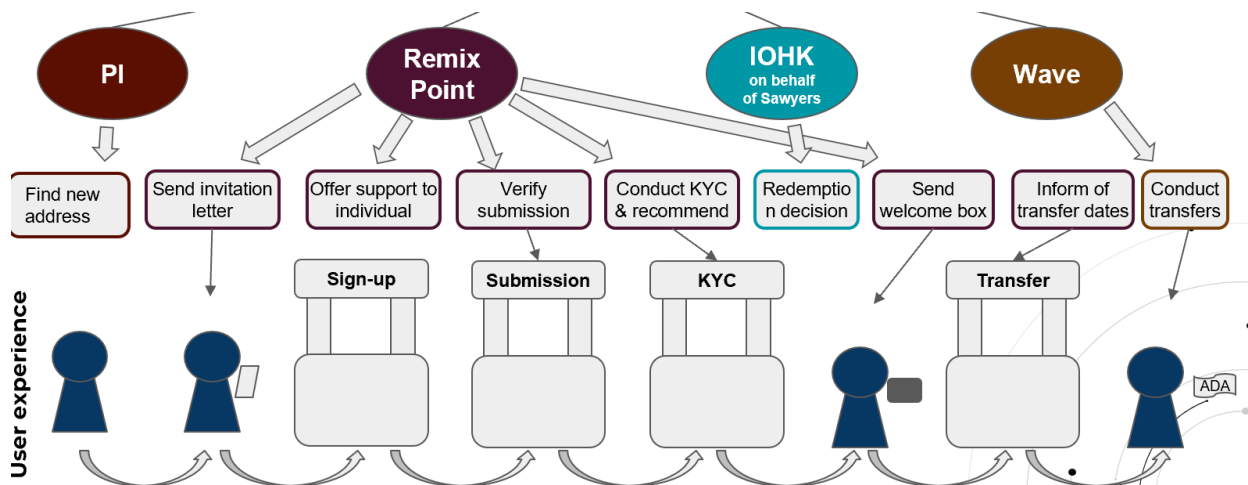
Where information was incomplete or insufficient, RemixPoint reached out to unredeemed Voucher Holders for clarification using ZenDesk, a customer support software, and also via telephone. While prospective Voucher Holders were likely frustrated that KYC submissions typically took multiple attempts, RemixPoint's ultimate responsibility rested with verifying the submitted documents and submitting a recommendation to Sawyers on whether to allow or disallow the Claimant's redemption. Post-Sweep Project Team Member 1 added that "if they uploaded [the license] when it was still valid, then we would still accept it... If it wasn't, they needed to input new documents."[292] RemixPoint's recommendations served as the basis for Sawyers' decision to accept or reject a Claimant's submission.

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[291] *See* PowerPoint presentation concerning Post-Sweep Redemption Project (January 21, 2022) (REVIOGC0011-00562055).
[292] Interview of Post-Sweep Project Team Member 1 (July 10, 2025).

If a claim was accepted, RemixPoint: (i) dispatched a welcome box to the Claimant's address; (ii) sent a Redemption Form to the Claimant via email and returned the completed Redemption Form to Sawyers; (iii) supported the Claimant in setting up a RemixPoint account, if necessary; and (iv) assisted Sawyers with coordinating the ada transaction to the Claimant, including handling an initial test transaction.[293] If a claim was rejected, RemixPoint sent the Claimant an explanatory email detailing the reason for rejection, based on RemixPoint's assessment and information provided by Sawyers.[294]

In their interview, Voucher Holder 1 specifically recalled receiving a letter from RemixPoint that "reminded [them] about the redemption process."[295] When asked whether they thought the letter was a scam, Voucher Holder 1 indicated "No…I thought there was some connection…they looked legit and I thought I should try it out."[296] Following the letter, Voucher Holder 1 described that RemixPoint "had a dedicated page on which information was provided and where I could upload my license."[297] After approval, Voucher Holder 1 explained that they "open[ed] a wallet on BitPoint and the ada was transferred to that wallet" in 2022.[298] Voucher Holder 1 confirmed that they received the "same" and "full amount" as the ada they purchased in the Voucher Program.[299] Upon conclusion of the interview, Voucher Holder 1 stated that "I had the [Voucher] Certificate, so I thought that even if I had to wait ten years, I would get it in the end" and that "I was lucky that [Sawyers] came to Japan to help me with the redemption process."[300] Voucher Holder 1 is just one of many success stories during RemixPoint's engagement.

[293] Sawyers Holdings Ltd. & Remix Point Inc., Remix Point Services Agreement (February 15, 2022) (REVIOGC0011-00000145) at Appendix A Sec. (e).
[294] *See id.* at Appendix A Sec. (f).
[295] Interview of Voucher Holder 1 (July 23, 2025).
[296] *Id*.
[297] *Id*.
[298] *Id*.
[299] *Id*.
[300] *Id*.

In sum, RemixPoint's scope of work was comprehensive, including outreach, identity verification, claim acceptance/rejection recommendations, communication management, logistics (i.e., dispatching of welcome packages and redemption forms), payment coordination, and continuous Claimant support—carried out under Sawyers' oversight and integrated systems. Toward the end of December 2022, RemixPoint informed Sawyers that they would not renew the Service Agreement.

D. Lightning Communication Assisted in Door-to-Door Visits and Communication with Unredeemed Voucher Holders

On August 18, 2022, Sawyers entered into the Lightning Service Agreement for door-to-door support to encourage individuals who received the "invitation" letter from RemixPoint to engage with the Post-Sweep Redemption Project.[301] When Lightning Communications began the work, 347 unredeemed Voucher Holders remained.[302] Former Input Output Project Manager 1 explained that the Lightning Communications team "was able to put together an operation that would do the media blasts and [investigative] door knocks."[303] While Lightning Communications was primarily a communications and public relations firm for Input Output[304], their connections in Japan and knowledge of cultural norms for a project of this nature proved crucial to Sawyers.[305]

As a result, Lightning Communications tailored its outreach to Japanese cultural norms to maximize its effectiveness. Lightning Communications Employee 1 confirmed that Lightning Communications "worked with the team at Sawyers to make sure we covered scenarios and all the bases. We made sure we would have successful meetings."[306] Lightning Communications

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[301] *See* IOHK, Sawyers Holdings Ltd. & Lightning Communications, Lightning Service Agreement (September 2, 2022) (REVIOGC0011-00000098).
[302] *See* Voucher List Excel file (REVIOGC0011-00938544).
[303] Interview of Former Input Output Project Manager 1 (July 9, 2025).
[304] *See* Japan Strategic Assessment Report from Lightning Communications (May 24, 2019) (REVIOGC0011-00035999).
[305] Interview of Lightning Communications Employee 1 (July 16, 2025).
[306] Interview of Lightning Communications Employee 1 (July 16, 2025).

Employee 1 further added that role-playing and script development were critical to preparing the team for respectful and effective door-to-door visits, stating that "it's a delicate thing to knock on someone's door in Japan," and that "we tried to make it polite and dignified. If someone didn't want to redeem, we asked them to sign a waiver — that's not normal here."[307]

Under the Lightning Service Agreement, Lightning Communications was obligated to provide the following services beginning from August 30, 2022:[308] (1) conduct Home Visits; (2) provide assistance to individuals to help them initiate the redemption process through the RemixPoint portal; and (3) in cases where the individuals were not interested in the redemption process, use reasonable endeavors to obtain a waiver of claims from such individuals.[309]

Lightning Communications' responsibilities further included: (1) supplying a team of at least three dedicated individuals until December 30, 2022 to conduct Home Visits; (2) providing an itinerary including the dates for each individual Home Visit; (3) conducting a thorough background check for its resources; (4) organizing and conducting Home Visits in accordance with the Lightning Service Agreement; (5) hosting, updating and maintaining a logbook of Home Visits and sharing such logbook with Sawyers on a weekly basis; and (6) retaining and sharing records with Sawyers, including (a) a time-stamped GPS encoded photo of the front door during each Home Visit, and (b) a video recording of the resources ringing the doorbell during each Home Visit.[310]

Thus, initially, Lightning Communications' role in the Post-Sweep Redemption Project was to conduct Home Visits to "inform [RemixPoint] about the individuals we were able to get

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[307] Interview of Lightning Communications Employee 1 (July 16, 2025).
[308] *See* IOHK, Sawyers Holdings Ltd. & Lightning Communications, Lightning Service Agreement (September 2, 2022) (REVIOGC0011-00000098) at Appendix A Sec. 2.
[309] *See id.* at Appendix A Sec. 1.
[310] *See id.* at Appendix A Sec. 4.

into contact with and initiate introductions to RemixPoint so they could work with them to guide them through the KYC process and get the documentation in order."[311] When conducting a Home Visit, Lightning Communications drafted a visit script to use.[312] Lightning Communications Employee 1 confirmed that Lightning Communications conducted "role playing with these scripts and had practice sessions before we went out on the actual visits."[313] The visit script instructed the door-to-door visitor on introducing themselves to the potential unredeemed Voucher Holder, and walked through various scenarios.[314] Such scenarios included when the potential unredeemed Voucher Holder: (1) received the RemixPoint letter(s) but did not understand the content; (2) did not receive the RemixPoint letter(s); and (3) was not home.[315] The visit script included details specific to the contracted specifications of the Home Visits, further outlined in the portion of the visit script below.[316]

3. Visit Procedure

Reconfirm the address and location of the ADA holder. Consider the most efficient form of transportation possible.

Reconfirmation of documents and tools
1. Contact history received from RemixPoint, information held regarding the ADA holders
2. Example of the letter(s) sent
3. Welcome box
4. Business cards (identification), our company information / introduction, and a letter stating the purpose of the visit
5. Take a geotagged photo (adding numerical data indicating the location (longitude and latitude) on the map as a tag to the photo).
6. Visit (ring the doorbell (up to 3 times), knocking with due consideration on the door)
7. Try to refrain from making visits after 5:00pm.

A. In the event they are not home
Post letter, take geotagged photo

Timing of visits will be planned with effectiveness as a top of mind goal.

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[311]   Interview of Lightning Communications Employee 1 (July 16, 2025).
[312]   *Id.*
[313]   *Id.*
[314]   *See* Visit Script for Lightning Communications (September 22, 2022) (REVIOGC0011-00023796).
[315]   *Id.*
[316]   *Id.*

A Home Visit was considered successful if the individual was present in said location and Lightning Communications was able to either (1) require such individual to enter the process of ada redemption; or (2) obtain a signed copy of a waiver letter.[317] Internal communications from Sawyers revealed that because of Lightning Communication's efforts, as of December 2022, "150 Individuals have been visited by Lightning Communications."[318]

Lightning Communications submitted expense reports with its invoices, which corroborated these efforts. Specifically, the expense reports detailed the route team member traveled, the case identification number the team member was investigating, and details on transportation type and cost.[319] Lightning Communications Employee 1 confirmed that these expense reports were included in the invoices sent to Sawyers.[320] An example expense report from Lightning Communications is illustrated below.

Transportation						
Date	Travel Route	Category	ID#	Region	Mode	Amount
2022-12-14	Sugamo - Ueno, Okubo	Transportation	1056	Sugamo	Train	¥1,560
2022-12-14	Toyohashi - Tokyo	Transportation	1056	Aichi	Bullet Train	¥11,570
2022-12-15	Toyama - Itoigawa	Transportation	1170, 1328, 1305	Toyama	Train	¥1,560
2022-12-15	Toyama - Tokyo	Transportation	1170, 1328, 1305	Toyama	Train	¥19,210
2022-12-15	Toyama - Joetsu Myoko	Transportation	1170	Toyama	Train	¥340
2022-12-15	Jostsu Myoko - Nou	Transportation	1170	Nigata	Train	¥670
2022-12-15	Shin kurobe - Itoigawa	Transportation	1170	Toyama	Train	¥840
2022-12-15	Itoigawa - Residence	Transportation	1170	Chiba	Taxi	¥11,890
2022-12-15	Ueno - Toyama	Transportation	1170, 1328, 1305	Tokyo	Train	¥16,040
2022-12-15	Itoigawa - Naoetsu	Transportation	1328	Chiba	Train	¥670
2022-12-15	Naoetsu - Residence	Transportation	1328	Nigata	Taxi	¥4,590
2022-12-15	Naoetsu - Namerikawa	Transportation	1305	Nigata	Train	¥370
2022-12-15	Namerikawa - Residence	Transportation	1305	Toyama	Taxi	¥2,020
2022-12-16	Tokyo - Nagoya	Transportation	1028	Aichi	Bullet Train	¥10,310
2022-12-16	Nagoya - Residence	Transportation	1028	Aichi	Taxi	¥2,030
2022-12-16	Yata - Nagoya	Transportation	1028	Osaka	Train	¥2,000
2022-12-16	Nagoya - Tokyo	Transportation	1028	Aichi	Bullet Train	¥13,970
2022-12-19	Tokyo - Gifu Hashima	Transportation	1033, 1136, 1153	Gifu	Bullet Train	¥14,190
2022-12-19	Gifu Hashima - Residence	Transportation	1136	Gifu	Taxi	¥5,000
2022-12-19	Sugamo - Tokyo	Transportation	1033, 1136, 1153	Tokyo	Train	¥1,000

While Lightning Communications' role initially only included locating and identifying unredeemed Voucher Holders, Lightning Communications eventually assumed responsibility for customer support from RemixPoint after an initial period of overlap. As of February 1, 2023,

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[317] *See* IOHK, Sawyers Holdings Ltd. & Lightning Communications, Lightning Service Agreement (September 2, 2022) (REVIOGC0011-00000098) at Appendix A Sec. 5.
[318] *See* Email regarding visits by Lightning Communications for the Post-Sweep Redemption Project (last email sent May 21, 2025) (REVIOGC0011-00015535).
[319] *See* Expense Report from Lightning Communications (April 26, 2023) (REVIOGC0011-00022342).
[320] Interview of Lightning Communications Employee 1 (July 16, 2025).

when Lightning Communications took over RemixPoint, there were 302 unredeemed Vouchers Holders remaining. Lightning Communications Employee 1 confirmed, stating that "we stepped in to be customer support for the ada redemption program" and that "there were about two months of overlap, but we took over from [RemixPoint]."[321]

Based on Lightning Communication's prior success, the parties further entered into SOW 1[322] on January 23, 2023 and SOW 2 on July 23, 2023.[323] These contracts provided for both customer support and PI work. Under SOW 1, Lightning Communications provided first level support to individuals throughout using an email address provided by Sawyers, which was accessed via ZenDesk, including: (1) sending further registered letters requesting individuals to provide certain information on a web form; (2) reaching out to individuals via ZenDesk to request additional information as needed; (3) informing individuals of whether their claim has been accepted or rejected; (4) sending to the rejected individual an email outlining why the claim has been rejected; and (5) visiting individuals to assist them with the redemption process in-person if required.[324] Lightning Communications and Sawyers subsequently entered into amendment agreements on January 4, 2024[325] and June 11, 2024[326] to further continue the customer support services until December 31, 2024.

During PI visits, in situations where the unredeemed Voucher Holder moved, Lightning Communications "would ask a neighbor if they knew where they went," "go to a real estate office

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[321] *Id.*
[322] *See* IOHK, Sawyers Holdings Ltd. & Lightning Communications, Statement of Work (Appendix A) (hereinafter SOW 1) (effective August 18, 2022) (REVIOGC0011-00095661).
[323] *See* IOHK, Sawyers Holdings Ltd. & Lightning Communications, Statement of Work (Appendix A) (hereinafter SOW 2) (July 21, 2021) (REVIOGC0011-00256243).
[324] *See* SOW 1, Sec. 1.
[325] *See* Sawyers Holdings Ltd. & Lightning Communications, Amendment Agreement (January 4, 2024) (REVIOGC0011-00363761).
[326] *See* Sawyers Holdings Ltd. & Lightning Communications, Amendment Agreement (June 11, 2024) (REVIOGC0011-00095600).

to see if they knew," ask the "property manager," or "go to the city office."[327] In other situations where the unredeemed Voucher Holder passed away, Lightning Communications "reported back and worked on it from the inheritance perspective."[328]

Lightning Communications Employee 1 indicated that "[Lightning Communications] made the process more efficient and faster and walked people through the procedures on how to set up the wallets."[329] Lightning Communications Employee 1 further described working on weekends and using both email and a Japanese phone line to complete customer support.[330]

In sum, Lightning Communications Employee 1 described Lightning Communication's and Sawyers' efforts to identify unredeemed Voucher Holders as "a high level of diligence and everyone was quite detailed" and that "from a Japanese perspective, this was above and beyond." Lightning Communications Employee 1 described Lightning Communication's role in the Post-Sweep Redemption Project ended because "we whittled the group down to people not responding and probably weren't going to be responding."

At the time Lightning Communications completed their work for the Post-Sweep Redemption Project (December 31, 2024), there were 112 unredeemed Voucher Holders remaining.[331]

[327] Interview of Lightning Communications Employee 1 (July 16, 2025).
[328] *Id.*
[329] Interview of Lightning Communications Employee 1 (July 16, 2025).
[330] Interview of Lightning Communications Employee 1 (July 16, 2025).
[331] *See* Voucher List Excel file (REVIOGC0011-00938544).

E. More Recently, Sawyers Hired Island Hills to Continue the Identification Efforts

After Lightning Communications' work ended at the end of 2024, Sawyers then contacted Island Hills, another PI company, and TKI Law for further work related to the Post-Sweep Redemption Project.[332]

On February 18, 2025, Island Hills and Sawyers executed an engagement letter under which Island Hills provided services including: (1) visiting seven specific locations stipulated by Input Output to confirm whether certain individuals identified by Input Output live or are present in said locations; (2) inquiring with family members, neighbors, housing associations, management companies, real estate agents, etc. to ascertain an individual's new home address if applicable; (3) establishing contact with identified individuals and delivering a letter, asking said individuals to contact a named local Japanese counsel; (4) providing a current mailing address for the individuals to the local Japanese counsel; and (5) providing Sawyers with photographic evidence that the locations identified were visited and where the individuals consent, provide supplementary evidence that the letter was received by said individuals.[333]

On February 19, 2025, Sawyers introduced IH and TKI Law to one another.[334] The introduction facilitated the collaboration between IH and an attorney who served as Sawyers' local counsel in Japan for several years.[335] IH was expected to visit designated locations in person and ensure delivery of letters to individuals at those sites.[336] The letters included forms that recipients could complete and return to TKI Law.[337]

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[332] *See* Email from Sawyers reaching out to Island Hills Co. Ltd. for PI work for the Post-Sweep Redemption Project (February 11, 2025) (REVIOGC0011-00015679).
[333] *See* Sawyers and IH Engagement Letter (February 18, 2025) (REVIOGC0011-00095594).
[334] *See* Email from Sawyers introducing IH to TKI Law (February 19, 2025) (REVIOGC0011-00015678).
[335] *See id.*
[336] *See id.*
[337] *See id.*

In an email on February 21, 2025, IH provided a summary of planned actions to carry out the scope of services under the engagement letter, including: (i) visit each last known address and attempt contact with identified individuals; (ii) if the contact is made, IH will confirm that the individual received the latest letter and understands the required steps; (iii) IH will also collect the phone numbers of such individuals and share with TKI Law for follow-up; (iv) if the individual cannot be located, IH will gather further leads to locate such individual; (v) IH will prepare a waiver letter prepared by TKI Law in case an individual chooses not to be contacted further; and (vi) IH will create a WhatsApp group to provide updates in English and Japanese as applicable.[338]

According to an email IH sent on March 5, 2025, the PI would be visiting the final address in Okinawa and following up on a single unredeemed Voucher Holder in Nagoya covering all the listed addresses.[339] Unless Sawyers had further instructions, IH expressed proceeding to close out this task and submit a full report.[340] Another email IH sent on March 6, 2025, outlines that four out of seven individuals were contacted but three individuals needed follow up.[341] Two individuals out of those three were not at their last known address at the time of visit, but IH was able to speak with such individuals' family or residence living in the same address.[342]

Island Hills eventually made contact with one of the individuals but stated that "extra attention [was] needed regarding documentation" and suggested follow up in the email.[343] Post-Sweep Project Team Member 2 confirmed that Island Hills conducted this outreach through door knocks, conversations with neighbors, and letter delivery. "We hired a vendor, PI to go to each

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[338] *See* Email from Sawyers to IH and TKI Law concerning Post-Sweep Redemption Project (last email sent February 24, 2025) (REVIOGC0011-00026332).
[339] *See* Email from IH to Sawyers regarding an update on PI visits (March 5, 2025) (REVIOGC0011-00023960).
[340] *See id.*
[341] *See* Email from IH to Sawyers regarding an update on which individuals have been contacted (March 11, 2025) (REVIOGC0011-00026882).
[342] *See id.*
[343] *See id.*

and every one to knock at the door, take a picture, look around, talk to neighbors…and put a letter in the mailbox," Post-Sweep Project Team Member 2 stated. Because of the cultural risks, Sawyers arranged for lawyers at TKI Law to follow up with Claimants directly, to legitimize the process and build trust.[344]

As of May 17, 2025, Island Hills located the last seven cases that were in the redemption process.[345] As of June 19, 2025, IH and IOG Singapore Pte. Ltd. (on behalf of Sawyers) entered into another engagement letter providing substantially similar services visiting six designated locations.[346] The final section of the Investigation Report discusses the current status of certain of these redemption cases.

F. Once Verified as an Unredeemed Voucher Holder, Wave Conducted the Transfers

While Wave did not participate in identifying and contacting unredeemed Voucher Holders, Wave was still involved after the MIR staking transactions. Because Wave custodied the unredeemed ada, when the Post-Sweep Project team identified and confirmed the personal information of unredeemed Voucher Holders, Wave assisted in processing the transactions on-chain to the Voucher Holders.[347] The Post-Sweep Project team sent Wave the KYC information for identified unredeemed Voucher Holders and their wallet information in a document called a Transfer Notice.

A Transfer Notice consisted of two forms: a test Transfer Notice and a final Transfer Notice.[348] The test Transfer Notice stated that the Shareholder (Sawyers) requested a transfer of

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[344]   Interview of Post-Sweep Project Team Member 2 (July 10, 2025).
[345]   *See* ADA Redemption Resources & Plan Overview (May 17, 2025) (REVIOGC0011-00662237).
[346]   *See* Sawyers and IH Engagement Letter (June 12, 2025) (REVIOGC0011-00922297).
[347]   *See* Email from Input Output to Wave concerning the Vehicle and redemptions (September 26, 2022) (REVIOGC0011-00358645).
[348]   *See* Test Transfer Notice and Final Transfer Notice (March 13, 2023) (REVIOGC0011-00207567).

10 ada from the Vehicle to the identified wallet address belonging to the unredeemed Voucher Holder. See sample test Transfer Notice below.

WAVE SME 632 LTD.

Test Transfer Notice

PARTICULARS OF RECIPIENT

We, the undersigned (the **Shareholder**) irrevocably request the transfer of 10 ADA by Wave SME 632 Ltd.(the **Vehicle**) as is indicated below, on the terms of the term sheet relating to the Vehicle (the **Memorandum**).

Pursuant to Section 4.6 of the Subscription Agreement, Sawyers confirmed to Wave that Sawyers "ascertained the identity of the intended Recipient of the [ada] set out above to our complete and lawful satisfaction…and therefore request that the [ada] set out above is transferred to a verified digital asset wallet owned and controlled by the following [Voucher Holder]."[349] Sawyers attached PII information to both the test and final Transfer Notices, and Hoskinson or Input Output Executive 1 personally executed each Transfer Notice.[350] On the ground, contacts in Japan also assisted in the test and final Transfer Notices. According to Lightning Communications Employee 1, Lightning Communications received "confirmation from Sawyers when they were going to conduct the test transfer" and "we would tell the individual to confirm receipt, and then we would greenlight the [final] transfer."[351]

While some of the wallet addresses provided in the Transfer Notices were self-hosted wallets, many unredeemed Voucher Holders decided to send their ada to an account at BitPoint, a licensed and regulated cryptocurrency exchange. Wave was comfortable with sending ada to BitPoint accounts since BitPoint is heavily regulated by the Financial Services Agency of Japan.[352]

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[349] *Id.*
[350] *Id.*
[351] Interview of Lightning Communications Employee 1 (July 16, 2025).
[352] *See* CryptoCompare, BitPoint Exchange, available at https://www.cryptocompare.com/exchanges/bitpoint/overview.

After Wave received and confirmed the KYC and AML information in the Transfer Notice, Wave began the transfer process. First, the Wave trader initiated a request for Wave management approval (i.e., executives) for the outgoing transfer. Once approved, the trader whitelisted the wallet address in Wave's system so that the transaction would not be blocked. Next, the trader sent a test transaction (typically 10 ada) to the provided wallet address. The test transaction was documented in the test Transfer Notice. When confirmation was provided that the transfer was received by the Voucher Holder, Wave sent the final Transfer Notice and, once executed, the remaining balance of the unredeemed ada. Lightning Communications Employee 1 emphasized that "there was always a test transaction before we sent the full amount and would call or email the claimant for confirmation receipt."[353]

As further detailed below, from November 2021 until August 15, 2025, the Post-Sweep Redemption Project successfully redeemed 246 Voucher Holders worth 241,310,061 ada.

X.   RECONCILIATION OF POST-SWEEP REDEMPTION PROJECT

Following the Shelley and Allegra Upgrades, 390 unredeemed Vouchers totaling 318,200,560 ada existed.[354] The Vehicle also included the 20 ada "round up" and 1,000 ada sent to the Vehicle prior to the MIR transactions to establish the initial stake pools.[355] Accordingly, the Voucher reconciliation analysis began with the Vehicle's 318,201,580 ada (318,200,560+20+1,000).

BDO traced this ada across several activity categories: redemptions to Voucher Holders, staking rewards, staking reward liquidations, transfers of unredeemed ada to CDH, other income,

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[353] Similarly, Input Output Finance Employee 1 confirmed that "There was always a Test Transaction." Interview of Input Output Finance Employee 1 (July 21, 2025).
[354] *See* Voucher List Excel file (REVIOGC0011-00938544).
[355] *See Transaction,* 6378618#5, ADASTAT.NET (October 16, 2021), *available at* https://adastat.net/transactions/4c10c1371f0b9d91f2edf183e483ae3cdfa277c8d33eeda8db62704e2adbf835; *See Transaction,* 6378625#10, ADASTAT.NET (October 16, 2021), *available at* https://adastat.net/transactions/0ba83be3fb3caa48f61f90c6616c1b63c73aa5a8f2592ca06523faaebbd96c80.

and the current balance held at the Sawyers Redemption Wallet. BDO successfully reconciled all items, apart from 1,176 ada, which is likely attributable to staking and transaction fees. The chart below provides a detailed summary of BDO's unredeemed Voucher reconciliation analysis.

Unredeemed Voucher Reconciliation Analysis[356]		
Activity	ada Amount	Investigative Report Comments
Sent from Reserve to Vehicle's six staking addresses	318,200,560	Includes six 100 ada test transactions
500 ada staking pool deposits (x2) and 20 ada added to round up	1,020	
Successful redemptions of 246 Voucher Holders from Post-Sweep Redemption Project	(241,310,061)	
Staking rewards from Vehicle	26,648,111	
Staking reward liquidations	(24,240,127)	Transfers in USD to Input Output (on behalf of Sawyers) for past and future Post-Sweep Redemption Project expenses
Unredeemed transfers from the Vehicle to CDH's SME 152 (5/28/23 and 8/31/23)	(68,258,338)	Transfers to CDH's SME 152 (use described further below)
Additional transfers and remaining staking rewards from Vehicle to Sawyers Redemption Wallet and Input Output	(17,266,740)	Transfers for in-progress Voucher redemptions and remaining staking rewards
Current Balance at Sawyers Redemption Wallet (as of 7/15/25)	8,632,383	
Ada Surplus/(Deficit)	2,406,808	
Less: Remaining staking rewards	2,407,984	
Ada overage	1,176	Likely fees related to staking and transaction fees

For the on-chain (using Daedalus) and Post-Sweep Redemption Project, BDO did not identify any discrepancies between the reported sale data and the blockchain data for the 14,282 Voucher redemption transactions and the total ada amounts redeemed. As of August 15, 2025, 107 Voucher Holders remained, which consists of 120 unredeemed Vouchers and 76,669,030 ada.

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[356]   Numbers in this table may reflect nominal differences due to rounding.

A.   Redemptions from the Post-Sweep Redemption Project

While the Vehicle custodied the unredeemed ada, after Sawyers identified and verified unredeemed Voucher Holders, Wave facilitated unredeemed Voucher redemptions. From November 2021 through August 15, 2025, the Post-Sweep Redemption Project facilitated 246 Voucher Holder redemptions totaling 241,310,061 ada.[357] 241 Voucher Holder redemptions were processed using the Vehicle, and five (5) Voucher Holder redemptions were processed using the Sawyers Redemption Wallet. As of August 15, 2025, 107 Vouchers Holders remain unredeemed.

B.   Staking Rewards and Staking Liquidations

The Vehicle's six staking addresses earned 26,648,111 ada in staking rewards beginning on November 21, 2021, and continuing until March 6, 2025.[358] From August 31, 2022, through November 22, 2024, the Vehicle liquidated 24,240,127 ada[359] from its staking rewards income for USD.[360] BDO confirmed staking reward withdrawals on-chain, along with reviewing transaction information from the Vehicle.

A summary of the use of the Vehicle's liquidation of staking rewards is provided below.

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[357]   *See* Redemption transactions excel file (REVIOGC0011-00938672).
[358]   *See* Copper transfer history 2023-2024 (REVIOGC0011-00938659); *See* Copper transfer history 2021-2022 (REVIOGC0011-00938663); *See* Copper transfer history 2025 (REVIOGC0011-00938665); *See* Coinbase transaction summary (REVIOGC0011-00938639).
[359]   BDO observed a misclassification error from Copper, noted as "Transfer of 750k ADA from Coppper [sic] -500k was sent to Coinbase for liquidation to [Input Output] and 250k was sent to Aplo for sale to pay fees which have to be matched against Staking Income lots" on November 22, 2024, caused a discrepancy of 500,099.47 ada in transaction records. *See* SME 632 transaction records (REVIOGC0011-00938673).
[360]   *See* Copper transfer history 2023-2024 (REVIOGC0011-00938659); *See* Copper transfer history 2021-2022 (REVIOGC0011-00938663); See Copper transfer history 2025 (REVIOGC0011-00938665).

24M ada Staking Rewards Reconciliation Analysis[361]			
Activity Date Range	Activity	ada Amount	Use of Liquidated ada in USD Amount
8/31/22-11/22/24	Liquidated staking rewards for fiat (which includes a 559 ada reimbursement to Wave to open accounts on 9/15/2022)	24,240,127	$ 9,977,450
9/12/22-12/13/24	Payments to Wave for services		$ (3,278,507)
10/3/22-1/2/25	Payments to IOG Singapore PTE (on behalf of Sawyers) for expenses related to the Post-Sweep Redemption Project		$ (6,267,818)
6/17/24-12/31/24	Payments for the Vehicle's professional services		$ (145,366)
8/9/23-12/31/24	Transfers out from Coinbase to fund a service		$ (268,447)
6/26/24-12/31/24	Transfer to Coinbase		$ (17,615)
		USD Overage/(Shortage)	$ (302)

The Vehicle liquidated 24,240,127 ada, worth $9,977,450 from the staking rewards.[362] BDO reviewed redacted bank statements and transaction summaries for fiat and on-chain transfers, and independently verified on chain transactions in documentation Wave provided.[363] For certain liquidations, such as those conducted through Coinbase, fiat was settled directly to an Input Output bank account via wire transfer.   In contrast, other Vehicle trades—such as over-the-counter transactions—were first paid into the Vehicle's bank account and subsequently transferred to Input Output bank accounts. Input Output primarily used the liquidated rewards to fund Sawyers' Post-Sweep Redemption Project costs to attempt to locate unredeemed Voucher Holders, described further below.

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[361] Numbers in this table may reflect nominal differences due to rounding and transaction fees.
[362] *See* SME 632 transaction records (REVIOGC0011-00938673); SME 632 bank movements (REVIOGC0011-00939625); Input Output bank statements (REVIOGC0011-00939626-00939637).
[363] *See* Copper transfer history 2023-2024 (REVIOGC0011-00938659); *See* Copper transfer history 2021-2022 (REVIOGC0011-00938663); *See* Copper transfer history 2025 (REVIOGC0011-00938665); *See* Coinbase transaction summary (REVIOGC0011-00938639); Input Output bank statements (REVIOGC0011-00939626-00939637); SME 632 bank statements (REVIOGC0011-00940478-00940537).

C. Wave Related Costs and Professional Fees

To operate the Vehicle, Wave charged and incurred management, custodian, administrative, professional services, and other fees paid in fiat from the staking reward liquidations.[364] In total, the Vehicle paid $3,278,507 in fees to Wave. These fees covered the custody, management fees, administrative fees, transaction fees and other fees incurred in the execution and oversight of redemption operations.[365] Input Output Executive 1 likewise confirmed that "none of those fees were borne by [the voucher holder]" and that "they received the full voucher amount."[366] Hoskinson stated, "They got 100% of what they bought. No matter how long or expensive it was."[367]

In addition, the Vehicle paid $145,366 on professional service providers for the Vehicle, which included vendors such as Stonegate, Harneys (a Cayman Islands law firm), accounting firm Berkower, Deloitte and others.[368] The Vehicle also paid $268,447 for Coinbase fees for trading service payments. Lastly, the Vehicle paid $17,615 to Coinbase to support transaction activity.[369]

D. Costs Associated with the Post-Sweep Redemption Project

From proceeds of staking reward liquidations, IOG Singapore PTE received $6,267,818 in bank transfers to four banks from October 3, 2022, through January 2, 2025, which were further partially disbursed as set forth below.[370] Between October 3, 2022, and January 2, 2025, IOG Singapore PTE (on behalf of Sawyers) made multiple transfers to vendors for past, current, and future costs associated with the Post-Sweep Redemption Project. As of the end of May 2025,

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[364] *See* SME 632 bank statements (REVIOGC0011-00940478-00940537).
[365] Interview of Input Output Finance Employee 1 (July 21, 2025); Interview of Input Output Executive 1 (July 29, 2025); Interview of Charles Hoskinson Part 2 (July 28, 2025).
[366] Interview of Input Output Executive 1 (July 29, 2025).
[367] Interview of Charles Hoskinson Part 2 (July 28, 2025).
[368] Interview of Input Output Executive 1 (July 29, 2025).
[369] Interview of Input Output Finance Employee 1 (July 21, 2025).
[370] SME 632 bank movements (REVIOGC0011-00939625).

Sawyers incurred $5,443,527 in Post-Sweep Redemption Project costs for staff and vendor costs from 2021 to 2025. As a result, IOG Singapore PTE is currently holding a surplus of $824,291 in fiat from the Vehicle's liquidated staking rewards. According to discussions with Input Output, this surplus will be applied to future ongoing Post-Sweep Redemption Project costs.

These costs consisted of $2,037,258 for external vendors and $3,406,269 for staff costs. Input Output provided BDO with documentation outlining these costs, and also provided copies of invoices for external vendors used for the Post-Sweep Redemption Project.[371]

For outsourced staff costs, Input Output provided an itemized list of employees, including the percentage of base salaries allocated to the Post-Sweep Redemption Project, for each year and through May 2025.[372] According to Input Output, these costs are estimates based on an estimated percentage of each employee's annual salary, reflecting the time spent on the Post-Sweep Redemption Project from 2021 through May 2025. Input Output also explained the methodology used to determine each individual's allocation percentage and provided BDO with screenshots from their internal finance department showing the annual payroll amounts, by year, for outsourced staffing costs dedicated to the Post-Sweep Redemption Project. A summary of the outsourced staff costs by year is below.[373]

2021	2022	2023	2024	YTD May 2025	Total
$402,304	$831,030	$912,974	$958,070	$301,891	**$3,406,269**

For external vendor costs, BDO reviewed the twenty-five largest expenditures from 2021 through year-to-date 2025, which yielded a review population of 52% ($1,077,862) of the total

[371] Input Output documentation outlining Post-Sweep Redemption Project costs (REVIOGC0011-00939639); Invoices concerning expenses (REVIOGC0011-00939640-00939834).
[372] BDO did not receive supporting payroll documentation to confirm these amounts.
[373] These allocations were determined using a combination of historical financial tracking estimates, a review of calendar meetings, and confirmation by Input Output personnel who were heavily involved in the Post-Sweep Redemption Project. However, these figures are estimates, and some short-term contributors may not be fully reflected in the data.

population ($2,037,258) of external vendor costs. For each of the twenty-five expenditures reviewed, BDO did not identify any issues or inconsistencies with the supporting invoice documentation. External vendor costs were generally tracked using the dedicated project code "1517" in Input Output's accounting software (NetSuite), with the exception of law firm expenses, which were billed directly to Input Output's legal department. For law firm costs, only those invoice line items that specifically related to the Post-Sweep Redemption Project were included, based on detailed invoice descriptions.[374]

E.   Analytical Review of Post-Sweep Redemption Project Efforts for Remaining Unredeemed Voucher Holders

BDO also conducted an analytical review of the efforts to locate the 107 unredeemed Voucher Holders. Of the 107 unredeemed Voucher Holders, 106 were successfully reached through at least one method of communication. Across all methods, Sawyers made a total of 779 outreach attempts, with an average of 7.3 attempts per unredeemed Voucher Holder. Sawyers' persistence to contact unredeemed Voucher Holders is notable, with some receiving over 90 contact attempts.

BDO's analysis concluded that among the vendors engaged, RemixPoint and Lightning Communication conducted the most outreach activities, both in terms of unredeemed Voucher Holders reached and total attempted outreaches. Specifically, RemixPoint conducted 245 attempts and reached 104 of the remaining unredeemed Voucher Holders, while Lightning Communication conducted 472 attempts and reached 99 of the remaining unredeemed Voucher Holders. Overall, Post-Sweep Redemption Project vendors' activity log data reflected a comprehensive, targeted

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[374]   In the case of Tokyo International Law Offices, all expenses were allocated to the Post-Sweep Redemption Project, as this firm was engaged exclusively for this matter.

approach to unredeemed Voucher Holder identification, with significant effort dedicated to maximizing contact and follow-up.

For one of the 107 unredeemed Voucher Holders, c46kFMvnxxLXfC3S2 (Dossier ID 1111), outreach log details were not identified. However, BDO located a document that indicated that one telephone call was made to this purchaser prior to the Post-Sweep Redemption Project.[375] The "Operational Decision Tracker" document notes that as of August 2024, Sawyers made a decision not to pursue further contact or redemption for this case, due to the individual being located in China and current regulatory restrictions at the time. Due to strict restrictions surrounding cryptocurrency in China, there were no further attempts to redeem this Voucher.

To summarize these efforts, the following chart shows the outreach activities by both method and vendor for the 107 unredeemed Voucher Holders.[376]

	Door-to-Door Visit	Letter Sent	Phone Call or SMS Text	Email	Total Vendors Outreach
All Vendors Total	177	220	242	141	**780**

Outreach Outcome	Count of Unredeemed Voucher Holders	% of Unredeemed Voucher Holders
Voucher Holder unresponsive, unreachable, or deceased despite numerous contact attempts.	100	93%
Voucher Holder verbally declined to redeem.	4	4%
Voucher Holder deceased.	2	2%
Voucher Holder ineligible to redeem (Chinese national).	1	1%
Total	**107**	**100%**

F.   Sawyers Redemption Wallet

Sawyers decided to close the Vehicle account with Wave because as the ada dwindled in the account, it was no longer economical to keep the Wave account open. As a result, Sawyers

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[375]   *See* "Copy of 2025.05.22-ADA Redemption - non-redeemable cases.xlsx" (REVIOGC0011-00934836).

[376]   BDO utilized the following files to create these summary charts: (1) Voucher List Excel file (REVIOGC0011-00938544).; (2) LC Case Tracking Process Log (REVIOGC0011-00938545); (3) Consolidated Log Book (REVIOGC0011-00938547).

transferred the remaining unredeemed ada to the Sawyers Redemption Wallet. A reconciliation summary of the Sawyers Redemption Wallet is below.

17M ada Transfers To Sawyers Redemption Wallet		
Activity Date Range	Activity	Ada Amount
12/20/24 12/30/24-3/13/25	Transfers from Vehicle: 1. 15,656,441 ada to Sawyers Redemption Wallet in two transactions (14,858,193 unredeemed ada and 798,248 ada in staking rewards); 2. 1,610,298 ada to Input Output wallet in three transactions (all staking rewards).	17,266,740
12/30/24-3/14/25	Transfers from Input Output wallets (all staking rewards): 1. 798,248 ada from Sawyers Redemption wallet (staking rewards) to another Input Output wallet then indirectly disbursed. 2. 1,610,298 ada from Input Output wallet (staking rewards). then directly disbursed. The ada was disbursed as general corporate funds in an omnibus wallet, including some for previously implemented employee compensation plans. Although certain UTXOs are traceable to the receipt of these staking rewards, Input Output treated the ada in this omnibus wallet as fungible.	(2,408,547)
4/14/25-5/9/25	Sawyers Redemption Wallet conducts redemptions to five Voucher Holders for 6,225,808 ada	(6,225,808)

Current Balance at Sawyers Redemption Wallet as of 7/15/25   8,632,383

On December 20, 2024, Sawyers executed two redemption notices with the Vehicle, resulting in a transfer of 17,266,740 ada.[377] The first notice provided for a redemption of 15,656,441 ada to the Sawyers Redemption Wallet.[378] Interviews and records indicate this first notice represented the remainder of the unredeemed ada along with some staking rewards.[379] The second notice provided for redemption of "100% of excess [ada] and USD" to address

[377] *See* Vehicle Redemption Form (December 20, 2024) (REVIOGC0011-00000183); *see also* Vehicle Redemption Form (December 20, 2024) (REVIOGC0011-00000348).
[378] *Id*.; Wallet information from Input Output Finance Employee 1 (REVIOGC0011-00344709).
[379] Interview of Input Output Finance Employee 1 (July 21, 2025); *See Cardano Nodes*, DOCS.CARDANO.ORG (last visited August 12, 2025), *available at* https://docs.cardano.org/about-cardano/learn/cardano-node#slots-and-epochs (Cardano's consensus mechanism divides time into Epoch, with each currently lasting 5 days).

addr1q…0w0n,[380] described as an address under Input Output's control.[381] During his interview, Input Output Finance Employee 1 indicated that a final transfer of ada likely consisted of staking rewards earned from the next epoch.[382]

After the 2,408,547 ada transfers, the remaining balance in the Sawyers Redemption Wallet represented unredeemed ada only. As of July 15, 2025, the remaining balance in the Sawyers Redemption Wallet is 8,632,383 ada.

The other Input Output wallets that received staking rewards from both the Vehicle and the Sawyers Redemption Wallet ultimately disbursed 2,408,547 ada.[383] Internal Input Output documents and correspondence between Input Output and Wave indicate that this ada only consisted of staking rewards earned from the Vehicle (not unredeemed ada).[384] These Input Output wallets have been active since April 2023 and held a combined total of over 7 million ada prior to the receipt of staking rewards.[385] The ada was disbursed as general corporate funds in an omnibus wallet, including some for previously implemented employee compensation plans. Although certain UTXOs are traceable to the receipt of these staking rewards, Input Output treated the ada in this omnibus wallet as fungible.

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[380]   *See* *address: addr1qy2qmzemzpx4w3sz0z8fp0x2xwnttksn655uc5sxml2yaznsluv29uarg9hhghehhf7r7kmyrh6wsvtgg2caanr-f94us0j0w0n,* ADASTAT.NET, *available at* https://adastat.net/addresses/addr1qy2qmzemzpx4w3sz0z8fp0x2xwnttksn655uc5sxml2yaznsluv29uarg9hhghehhf7r7kmyrh6wsvtgg2caanrf94us0j0w0n.

[381]   *See* Vehicle Redemption Form (December 20, 2024) (REVIOGC0011-00000348). IOG filed this updated redemption notice to clarify the initial request of "100% of excess ADA"; *see also* Interview of Input Output Finance Employee 1 (July 21, 2025).

[382]   Interview of Input Output Finance Employee 1 (July 21, 2025).

[383]   *Id*.

[384]   *See* Email from Input Output Finance Employee 1 concerning Vehicle liquidations (April 11, 2025) (REVIOGC0011-00344709).

[385]   *See* *Transaction 8571305#9*, ADASTAT.NET (March 27, 2023), *available at* https://adastat.net/transactions/a221a848eb06a4a338f65d02e33e50719f59e5f39c483c7068ca284fe54e8dec; *See* *Transaction 8609709#26*, ADASTAT.NET (April 5, 2023), *available at* https://adastat.net/transactions/4f8ffc465508d8e78c69aa03bdc3705113b4443803c9cc71d2d63959c26cca7f.

The Sawyers Redemption Wallet recently conducted five Voucher Holder redemptions for

6,225,808 ada. All five redemptions can be confirmed with the tested "Voucher Listing.xlsx"

file:[386]

1. addr1w...6k6h: redeemed 382,394 ada in two transactions completed on April 25, 2025.[387]
2. addr1q…kfe4: redeemed 679,414 ada in two transactions completed on April 25, 2025.[388]
3. addr1w…k7ez: redeemed 1,270,391 ada in two transactions completed on April 25, 2025.[389]
4. addr1w…x7ed: redeemed 462,058 ada in two transactions completed on April 25, 2025.[390]
5. addr1w…34j5: redeemed 3,431,551 ada in two transactions completed on May 9, 2025.[391]

As of July 15, 2025, the Sawyers Redemption Wallet controlled a remaining unredeemed

Voucher balance of 8,632,383 ada.[392] Input Output indicated it plans on processing additional

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[386] *See* Voucher List Excel file (REVIOGC0011-00938544) at IDs 1008, 1174, 1267, 1300, and 1305.

[387] *See   Transaction   11781843#9*,   ADASTAT.NET   (April   25,   2025),   *available   at* https://adastat.net/transactions/0066f1d53a7c1f2868e4b049f8974d05adda0ff0a966bed6aebefd788f283291;   *See* *Transaction   11735386#5*,   ADASTAT.NET   (April   14,   2025),   *available   at* https://adastat.net/transactions/f1d853890a641b20ae42f327777dfa472d459af66b6bf481470bbc9764836a69;   *See* Voucher List Excel file (REVIOGC0011-00938544) at ID 1174.

[388] *See   Transaction   11781855#2*,   ADASTAT.NET   (April   25,   2025),   *available   at* https://adastat.net/transactions/e613e7235e9b295efd9fd7dae4d51060e3bbcbd522b477983332c33d1a903e6d;   *See* *Transaction   11735388#8*,   ADASTAT.NET   (April   14,   2025),   *available   at* https://adastat.net/transactions/2107bd931b0befaceaf3d8243e6688cf83aade3aa9d2685dfe003150e1930415;   *See* Voucher List Excel file (REVIOGC0011-00938544) at ID 1008.

[389] *See   Transaction   11781831#8*,   ADASTAT.NET   (April   25,   2025),   *available   at* https://adastat.net/transactions/3458bc673cb238b37ed5d0d35959bb81d7dedbd491e93420711458dbb7c1a44d;   *See* *Transaction   11735376#0*,   ADASTAT.NET   (April   14,   2025),   *available   at* https://adastat.net/transactions/50ec008ccb6b1afc7505a45c4e6fc042c8e8ca1210d1136af22fe95523f7ec3c;   *See* Voucher List Excel file (REVIOGC0011-00938544) at ID 1267.

[390] *See   Transaction   11781824#9*,   ADASTAT.NET   (April   25,   2025),   *available   at* https://adastat.net/transactions/35ddbf07fdd93747df1ef4dfd5e0a0affd0fe56c39526a8d6023d7dc332466f0;   *See* *Transaction   11735368#3*,   ADASTAT.NET   (April   14,   2025),   *available   at* https://adastat.net/transactions/3d9d22f06195982aaaec88695b2130e75c0e1956e3f624612746085c7cc83c1c;   *See* Voucher List Excel file (REVIOGC0011-00938544) at ID 1300.

[391] *See   Transaction   11842357#6*,   ADASTAT.NET   (May   9,   2025),   *available   at* https://adastat.net/transactions/3d078a18f8ab28b880f78493110fb67c44f27c9cf45bd1c90436efa46c2fcf0e;   *See* *Transaction   11781810#1*,   ADASTAT.NET   (April   25,   2025),   *available   at* https://adastat.net/transactions/4d9e67983601d905f95bd6c406a8ae046e024c337c2b063f9d8172e2dd51615d;   *See* Voucher List Excel file (REVIOGC0011-00938544) at ID 1305.

[392] *See   Address:* *addr1q8mzqkspeyw8wcjhu0scwcdwsww4hjpcgevaz0gqkdjc7zx06qzc6kwj6sr5lma7l9kt94dzn5ah4qts2vccs6k4gjssd7*

redemptions from this wallet, further described in the final section of the Investigative Report (*see infra* Section XII).

XI.   USE OF ADA ASSOCIATED WITH UNREDEEMED VOUCHER HOLDERS

Despite the efforts of the Post-Sweep Redemption Project, 76,669,030 ada from 107 Voucher Holders remained unclaimed as of August 15, 2025. Sawyers determined that it was extremely unlikely that Claimants of this ada would ever be found. While Sawyers retained certain unredeemed ada to process additional redemptions, a large portion of this ada (68,258,338 ada) was transferred to CDH and subsequently managed by Intersect, the new Cardano MBO. Certain public allegations state that Hoskinson "direct[ed] funds to Intersect]" and then "pa[id] his firm 30m+ [ada] from Intersect in 2024."[393]

This section outlines the decisions concerning the remaining unredeemed ada from the Voucher Program, the formation of CDH and Intersect, and the allocation of CDH's ada budget to support the Cardano ecosystem. The Investigation concluded that although Intersect allocated a large portion of unredeemed ada to the IOI MSA, IOI subcontracted a large portion of the work to external vendors and charged below market rates.. This approach was consistent with Intersect's plan to diversify vendors, reduce reliance on IOI over time, and develop a supportive ecosystem for future Cardano upgrades and governance.

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pall,   ADASTAT.NET   (May   9,   2025)   *available   at*
https://adastat.net/addresses/addr1q8mzqkspeyw8wcjhu0scwcdwsww4hjpcgevaz0gqkdjc7zx06qzc6kwj6sr5lma7l9k
t94dzn5ah4qts2vccs6k4gjssd7pall.
[393] *See*   @masatoalexander,   X.COM   (May   18,   2025),   *available   at*
https://x.com/masatoalexander/status/1924851294772027558.

A. Cardano Foundation Disputes Signal Need for New MBO

As Hoskinson explained in a June 2022 livestream, the long-term vision was for the Cardano governance role to eventually be assumed by an MBO.[394] This MBO would manage the "bureaucracy of protocol governance," as Hoskinson described.[395]

The Foundation was originally intended to fill the governance role. However, there is an acrimonious history between the Foundation, Input Output, and EMURGO. For example, in 2018, Hoskinson and EMURGO published a joint open letter harshly criticizing the Foundation's leadership. They expressed "great frustration" at the Foundation's "inactivity and perceived failings."[396] Under mounting pressure from Cardano's community and its other founding entities, the head of the Foundation resigned as chairman in November 2018.[397] Hoskinson later remarked that the former head of the Foundation was effectively "deposed" for attempting to misappropriate Foundation funds, and that it was only after the community (the Guardians of Cardano) came together that "[he] decided to go."[398]

B. Formation of CDH and Intersect

CDH is a Cayman Islands foundation established as a dedicated funding vehicle to support the Cardano blockchain's development, maintenance, and growth.[399] The primary role of CDH is

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[394] *See* Charles Hoskinson, *Let's Talk Roadmap and Governance*, YOUTUBE (June 30, 2022), *available at* https://www.youtube.com/watch?v=MwP-omMwd3A.

[395] *Id.*

[396] *See* IOHK, *An Open Letter to the Cardano Community from IOHK and Emurgo*, IOHK.IO (October 12, 2018), *available at* https://iohk.io/en/blog/posts/2018/10/12/an-open-letter-to-the-cardano-community-from-iohk-and-emurgo/.

[397] *See* Andrew Ancheta, *Cardano Foundation Chair Resigns Under Fire*, CRYPTOBRIEFING.COM (November 13, 2018), *available at* https://cryptobriefing.com/cardano-foundation-chair-resigns.

[398] *See* Cardano, *Frequently Asked Questions about the Cardano Foundation*, FORUM.CARDANO.ORG (December 2024), *available at* https://forum.cardano.org/t/frequently-asked-questions-about-the-cardano-foundation/140884/5 (quoting Hoskinson's Twitter on December 16, 2024, *available at* https://forum.cardano.org/t/frequently-asked-questions-about-the-cardano-foundation/140884).

[399] *See Intersect funding*, INTERSECTMBO.ORG (last updated April 7, 2025), *available at* https://docs.intersectmbo.org/intersect-overview/intersects-structure/intersect-funding; CDH was originally set up under the name "Cardano Development Foundation" or "CDF" but was renamed to CDH in late 2024 to avoid

to serve as the recipient and custodian of Cardano's treasury funds that have been approved for ecosystem development by ada holders.[400] By design, all assets held by CDH are dedicated to Cardano's development and are administered under strict mandates.[401]

Intersect was created in the Voltaire era to act as an administrator for CDH and create an avenue for ada holders to come together as members of Intersect to play a role regarding the future of Cardano. As detailed in the 2022 Essential Cardano Guide and a March 2023 FundStrat report,[402] Intersect MBO is described as "[o]ne of the anchor institutions for continuing to build and maintain the [Cardano] protocol."[403]

Between January and May 2023, development of Intersect began with the drafting of the MBO charter and updates to the Voltaire roadmap.[404] An early business plan defined the MBO's mission as promoting Cardano's adoption by building "a strong, engaged community of users, developers, and enthusiasts," and encouraging its application across diverse industries.[405]

In July 2023, Intersect was formally established as a non-profit incorporated in Wyoming. Input Output and EMURGO each became founding members of Intersect and, as founding

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confusion with the Foundation and to better reflect its function. *See* Cardano Development Foundation Certificate of Incorporation (May 11, 2023) (REVIOGC0011-00000350) and Intersect, *Development Update #41*, INTERSECTMBO.ORG (November 22, 2023), *available at* https://www.intersectmbo.org/news/intersect-development-update-41-november-22; Letter to IOE Notifying Name Change Letter (December 3, 2024) (REVIOGC0011-00000359).

[400] *See* Interview of Intersect Employee 1, Intersect Employee 2, and Intersect Employee 3 (June 22, 2025). In practice, this approval occurs through a vote of the Delegated Representatives (or DReps), who are ada holders registered to allow other community members to delegate voting power to them. *See* Cardano, What is a DRep?, GOVERNANCE TOOL GUIDES *available at* https://docs.gov.tools/cardano-govtool/faqs/what-is-a-drep.

[401] *Id*.

[402] *See* FundStrat, *Cardano Update* (March 6, 2023), p. 9 (REVIOGC0011-00609468); *See also* Essential Cardano Guide to the Ecosystem (December 2022), p. 50 (REVIOGC0011-00378185).

[403] *See* John Greene, *Cardano for the Masses: A financial operating system for people who don't have one* (2023) (REVIOGC0011-00566477); *See* Cardano, *Defining Catalyst in the age of Voltaire* (August 8, 2023), p.7 (REVIOGC0011-00656226).

[404] *See* Member-Based Organization (MBO) Charter, v1.0 (May 25, 2023) (REVIOGC0011-00378158); IOG, *Revised Voltaire Proposal* (Mar 1, 2023) (REVIOGC0011-00581300); *See also* IOG, *Voltaire Roadmap* (March 9, 2023) (REVIOGC0011-00581553).

[405] *See* Input Output, *MBO Detailed Business Plan: Comprehensive Operational Guide to the MBO* (REVIOGC0011-00378159).

members, each committed to pay Intersect $500,000 a year for three years.[406] These founding

member fees were not funded from the unredeemed ada that was transferred to CDH.

C.   The Post-Sweep Redemption Project's Conclusion

After many years of efforts to identify and redeem Vouchers, in April 2023, Sawyers began

taking steps to move ada associated with unredeemed Vouchers to CDH to hold assets

transparently and allocate them to Cardano ecosystem development.[407] Sawyers indicated that the

use of the remaining unredeemed ada in CDH would "be used to pay for ongoing maintenance of

Cardano" starting initially with an initial operating budget for Intersect, "a service agreement with

[IOI]" and other Cardano continuity contracts, and grants to developers providing services to

Cardano. Input Output Finance Employee 1 stated that the transition occurred only "after years of

staking and expenses" and "after we had done our best to locate and redeem [Voucher Holders]."[408]

Hoskinson explained that after consulting with Japanese counsel and "every effort to get

[unredeemed Voucher Holders] to redeem," Sawyers concluded that "it was clear the process was

exhausted."[409]

D.   Transfer of Funds to CDH

After the establishment of CDH, in May and August 2023, a substantial portion of the

unredeemed ada was transferred from the Vehicle into a new vehicle at Wave set up for CDH

called SME 152.[410] This occurred through the following transactions: 60,000,100 ada[411] on

[406] *See* Wyoming Secretary of State, Intersect, WYOBIZ.WYO.GOV (July 13, 2023), *available at* Intersect Initial Filing, Wyoming Secretary of State (July 2023).
[407] *See* Email between Input Output Finance Employee 1 and Wave (April 22, 2023) (REVIOGC0011-00344613).
[408] Interview of Input Output Finance Employee 1 (July 21, 2025).
[409] Interview of Charles Hoskinson Part 2 (July 28, 2025).
[410] *See* Intersect, *Intersect Funding*, INTERSECTMBO.ORG (last updated April 2025), *available at* https://docs.intersectmbo.org/intersect-overview/intersects-structure/intersect-funding.
[411] *See Transaction 8830302#31*, ADASTAT.NET (May 28, 2023), *available at* https://adastat.net/transactions/d250b8b05aee097ac17feab980019734fe9f009830347c8561cf10f430c6c883; *See Transaction 8830180#2*, ADASTAT.NET (May 28, 2023), *available at* https://adastat.net/transactions/3c010069684ced15ed82c022d1ac4d62fda3d5918ff26ee07ff40b0dbbe8edbe; *See*

May 28, 2023, and 8,258,238 ada[412] on August 31, 2023.[413] Upon Intersect's formation in July

2023, Intersect managed CDH's funds in SME 152. Wave 1 Employee confirmed that "SME 152

was a new subscription account under Wave Holdings, and we were instructed by CDH to accept

the transfer of ada from the prior Vehicle into the new one."[414] They explained that Wave "[did]

not determine the source or end use of funds—only that CDH was the subscriber for SME 152 and

the account met our onboarding requirements."[415] Wave Employee 1 further noted that CDH—

not Input Output—was recorded as the client on the subscription documents for SME 152, and that

the transfer process followed Wave's standard compliance procedures.[416] This was documented

in the subscription agreement and term sheet executed by Wave and CDH in May 2023,[417] as well

as internal correspondence confirming setup and remaining balances in the Vehicle.[418]

Intersect administered the SME 152 account on behalf of CDH.[419] Input Output Finance

Employee 1 emphasized that the ada in SME 152 "was not [Input Output's] ada," and "we had no

right or entitlement to the underlying assets."[420]

E.   The Continuity Contracts

Shortly after the transfer of ada to CDH, in furtherance of the original Roadmap, Cardano

embarked on a "continuity" program consisting of a series of technical development contracts to

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Transaction   8830333#2,   ADASTAT.NET   (May   28,   2023),   *available   at*
https://adastat.net/transactions/55b79284e9ca00b7929dc53c6f0c07798c3dcf9fdde57cddaea8b7295a1d73d6.

[412] *See   Transaction   9230051#27*,   ADASTAT.NET   (August   31,   2023),   *available   at*
https://adastat.net/transactions/df5f75b6db5954dec3b22a913aa87ec8494335f88391229dce5781071e044e87.

[413] *See* Transfer notice: 60,000,100 ada from Vehicle to CDH SME 152 (May 28, 2023) (REVIOGC001100134018);
See Transfer notice: 8,258,238 ada from Vehicle to CDH SME 152 (August 31, 2023) (REVIOGC001100134019).

[414] Interview of Wave Employee 1 (July 21, 2025).

[415] *Id.*

[416] *Id.*

[417] Wave SME 152 LTD. Subscription Documents (REVIOGC0011-00364590).

[418] Correspondence between Wave Employee 1 and Input Output Finance Employee 1 regarding CDH SME 152 and
Remaining ada in Vehicle (May 2023) (REVIOGC0011-00345264).

[419] *See* Intersect, *Administration Financial Audit Policy*, INTERSECTMBO.ORG (last updated June 2025), *available at*
https://docs.intersectmbo.org/legal/policies-and-conditions/intersect-administration-policies/administration-
financial-audit-policy.

[420] *Id.*

ensure the Cardano blockchain's core systems and governance tooling continue to evolve and function reliably. Collectively, the continuity contracts were the necessary "technical services needed to build or fix current and future areas of the Cardano blockchain…includ[ing] new development, such as the CIP-1694 governance software, upgrades to components or improvements in testing."[421] Intersect Employee 1 described the continuity contracts as the "critical work to ensure keeping of the lights on" for Cardano.[422]

The areas covered by the continuity contracts were determined through a series of workshops involving ada holders, Cardano developers, and others, held in Edinburgh and elsewhere beginning in July 2023.[423] These continuity contracts span critical areas for Cardano—from protocol upgrades and infrastructure maintenance to governance software and developer tools—and involve multiple specialized suppliers.[424] A presentation from September 2023 identifies the continuity contracts as the "minimum required for Intersect to run the Cardano blockchain."[425] The continuity contracts included contracts to IOI, Bloxico, Byron, EMURGO, Galois, Tweag, WellTyped, and VacuumLabs.[426] Each of these continuity contracts is described below (*see infra* Section XI.J.), with the IOI one described in detail.

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[421] *See* Intersect, *2024 Cardano Continuity contracts*, INTERSECTMBO.ORG (last updated March 2025), *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/cardano-continuity.

[422] Interview of Intersect Employee 1 (July 23, 2025).

[423] Cardano Workshop, Edinburgh 2023 Workshop: July 10th, July 13th - July 14th (July 7, 2025) (REVIOGC0011-00070390).

[424] *See* Intersect, *Milestone report Q1 2024*, INTERSECTMBO.ORG (last updated June 2025), *available at* Milestone report Q1 2024 | Intersect - Knowledge Base; *see* Intersect, *Intersect Weekly Development Update*, INTERSECTMBO.ORG (April 5, 2024), *available at* Intersect, *Development Update #8* (April 5, 2024).

[425] *See* PowerPoint presentation concerning continuity contracts (September 29, 2023) (REVIOGC0011-00620939).

[426] *See* Intersect, 2024 Cardano Continuity Contracts, INTERSECTMBO.ORG, *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/cardano-continuity/cardano-continuity-suppliers.
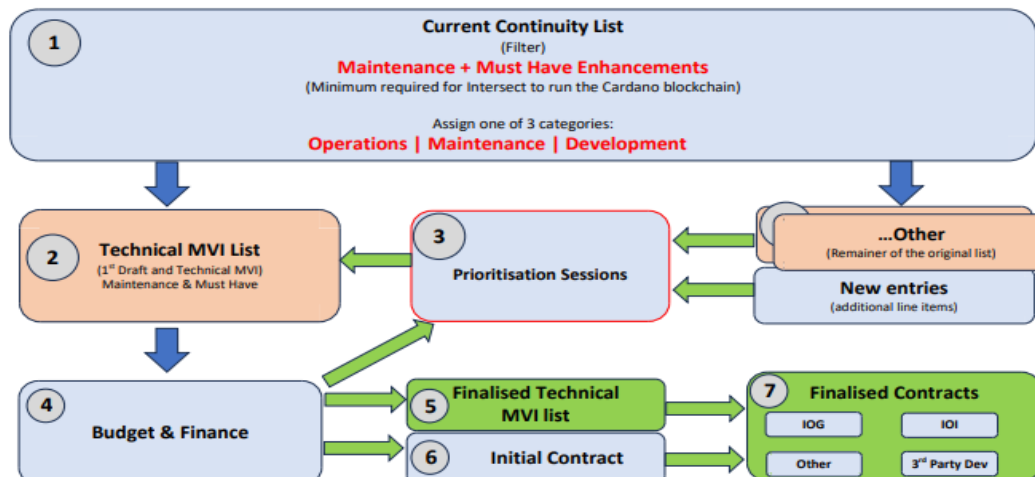
F. The IOI MSA Decision

After the unredeemed ada was transferred to CDH, a subsequent transfer of a portion of the ada held by CDH was paid (in milestone based installments) to IOI pursuant to a continuity contract entered into among Intersect, CDH and IOI.[427] Ultimately, almost half of the ada CDH received from the unredeemed ada in the Vehicle was covered by this IOI MSA. McDermott and BDO investigated whether this decision was actually made before Intersect's creation and whether it was an independent decision.

In connection with Cardano's road towards decentralized on-chain governance and MBO model, the plan was for Intersect to use the unredeemed ada to support the Cardano ecosystem and to provide an initial bootstrapping budget for Intersect.

The first Intersect board meeting took place on December 8, 2023. The meeting included three initial Intersect board members representing Input Output, EMURGO, and Intersect.[428] Tim Harrison was appointed to the board by Input Output, Nikhil Joshi by EMURGO, and Nigel Hemsley from Intersect. In this meeting, the Intersect board adopted Intersect's bylaws and

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[427] *See* Master Services Agreement between Cardano Development Foundation, Input Output Infrastructure Pte Ltd and Intersect (December 8, 2023) (REVIOGC0011-00000148).
[428] *See* Action Taken By Unanimous Written Consent of The Board of Directors of Intersect (December 8, 2023) (REVIOGC0011-00608958).

conflict of interest policy. In addition, the Board approved the entry into two new continuity contracts, the most significant of which is a tripartite IOI MSA between Input Output, CDH and Intersect.[429] One board member had, until earlier that same day, been the Vice President of Governance at Input Output but resigned from that position that same day to assume his role at Intersect. Because of a potential conflict, the Input Output board member "recused himself from the vote" on the IOI MSA.[430] The conflict of interest policy states that any conflict of interest will exist in respect of a transaction if the "transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest."[431] That policy requires only disclosure, not recusal; despite that, the Input Output board member recused himself.

McDermott and BDO asked a series of interviewees whether the decision to transfer a portion of the unredeemed ada to IOI was decided long before Intersect's creation. When asked whether it was a foregone conclusion that the funds would go back to IOI, Input Output Executive 1 stated "No."[432] While no interviewees stated that the decision was finalized prior to Intersect's board resolution, contemporaneous communications indicate that the plan was (upon Intersect becoming operational and having legal authority to enter into contracts) for some portion of the unredeemed ada to fund efforts by IOI and subcontractors who had been retained by IOI to support the Cardano ecosystem. For example, in an April 2023 email concerning the use of the

[429] *See* Master Services Agreement between Cardano Development Foundation, Input Output Infrastructure Pte Ltd and Intersect (December 8, 2023) (REVIOGC0011-00000148).

[430] *See* Intersect, Resolution Regarding Action Taken by Unanimous Written Consent of the Board of Directors of Intersect (December 8, 2023) (REVIOGC0011-00596744); *See also* Intersect, *Minutes of Meeting of Board of Directors*, GITBOOK.IO (December 8, 2023) *available at* https://776973073-files.gitbook.io/~/files/v0/b/gitbook-x-prod.appspot.com/o/spaces%2FbVw0nkB0VdooZ7axo3Iu%2Fuploads%2FZ8eZnX2O44rJYnNb6x2N%2FIntersect%20Board_Meeting%20Minutes_12-8-23.pdf?alt=media&token=7229f81d-8ee7-43f6-bcd5-78a8a4edb058. It further bears note that at the same meeting, another of the continuity contracts, with EMURGO, was approved. Mr. Joshi, EMURGO's board appointee, recused himself from the vote to approve that contract.

[431] *See* Intersect, Conflict of Interest, *available at* https://docs.intersectmbo.org/legal/policies-and-conditions/intersect-internal-policies/conflict-of-intereset.

[432] Interview of Input Output Executive 1 (July 29, 2025).

unredeemed ada, an Input Output executive wrote that "[t]he funds in [CDH] will be used to pay for ongoing maintenance of Cardano. So, [Intersect] will cause [CDH] to enter into a service agreement with [IOI] to maintain Cardano and will use funds from [CDH] to pay [IOI]."[433] At the same time, it was also contemplated that some portion of the unredeemed ada would be used to help fund an initial operating budget for Intersect and to make a number of grants to third parties supporting and building applications and software upgrades for Cardano.

When asked, certain Input Output executives took no position as to whether the IOI MSA decision by the Intersect board was truly independent. However, it does appear that IOI, Input Output, and the other subcontractors they had engaged were well-qualified to meet the obligations in the IOI contract. Hoskinson explained that "imagine Intersect was 100% independent and never met us before. If they asked who is the most qualified company in the world to build Cardano? Would anyone else than IO[I] come up? These are PhD engineers."[434] As Hoskinson explained, up to that point in time, IOI had performed the overwhelming majority of the work to build Cardano. Hoskinson further stated that "there needed to be continuity and for a period only [IOI] can do that…IO[I] was pass-through for many vendors because we had developed relationships with the vendors in the past."[435] Hoskinson concluded that "any board would say IO[I] is the most qualified entity."[436]

Hoskinson's view accords with Intersect's explanations. As Intersect Employee 1 explained, "[a]ll of the work up until that point had been done by IO[I] engineers and without them the blockchain would cease to exist . . . IO[I] [was] the only sizable organization with the skillset

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[433]   *See* Email concerning unredeemed ada and CDH (April 20, 2023) (REVIOGC0011-00258824).
[434]   *Id*.
[435]   Interview of Charles Hoskinson Part 2 (July 28, 2025).
[436]   *Id*.

and pockets to deliver that work at that time."[437] Intersect Employee 2 agreed, stating that "IO[I] was carrying the lion share [of the work] . . . the fact is there was a clear understanding that IO[I] would carry the weight."[438] Input Output Finance Employee 1 confirmed this view, noting that IOI "was the only group of resources to do this at the moment,"[439] and that failing to fund IOI's contract "would be the end of the blockchain or stop it from continuing."[440]

Under the IOI MSA, it was not (and never was) the intention that IOI would perform all of the work itself. Instead, IOI subcontracted portions of the work. As Hoskinson explained, the intention was that IOI would perform the initial work including by subcontracting certain portions of it, and in doing so diversify the pool of people suitably qualified to bid for future work on Cardano: "[i]t made sense for the first contract to go to IO[I] to get all the bugs out. Then what IO[I] did, we gave the money as a pass through to vendors. Like Sundae Labs, Anastasia [Labs], and others."[441] The total amount payable under the IOI MSA was therefore intended to cover not only IOI's own costs, but also the cost of subcontractors that IOI was using to deliver work. Intersect Employee 1 confirmed this structure, explaining that "IOI brought in partners and passed through some of the funds," and that "this was always the design—IOI was meant to prime the pump and scale the supply side."[442]

Nor was it intended that IOI would continue to do most of the work after the end of the IOI MSA. As Hoskinson explained in his interview, "[w]e were trying to build a network of developers around it. They said look we give it to IO[I], IO[I] builds up the diversity, and then they can all bid for the treasury. The ecosystem would then get a fair price for the work. Otherwise, pricing

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[437] Interview of Intersect Employee 1, Intersect Employee 2, and Intersect Employee 3 (June 22, 2025).
[438] *Id*.
[439] Interview of Input Output Finance Employee 1 (July 21, 2025).
[440] *Id*.
[441] Interview of Charles Hoskinson Part 2 (July 28, 2025).
[442] Interview of Intersect Employee 1 (July 23, 2025).

would get inflated."[443] Intersect employees agreed with Hoskinson. Intersect Employee 1 stated that "[if] you look at [IOI MSA] that is most of the skill . . . the aim over the next couple of years [is that] it will reduce the amount of what [IOI] are doing."[444] They further noted that "over one to two years [the IOI MSA] encouraged Intersect to get people to diversify and have a less reliance on [IOI]."[445] Intersect Employee 2 also explained that "the whole purpose was to not become dependent on one vendor but to give the ecosystem time to mature and stand up other teams."[446]

Lastly, Intersect contemplated at the initial budget meeting that the remaining portions of the unredeemed ada would also be used to help fund the initial operating budget of Intersect (along with the founding members fees), to support a number of grants to third parties supporting and building applications in the Cardano ecosystem, and to support software development and upgrades for Cardano. Although the IOI MSA was the largest of such initiatives, it was one of many.

G.   Terms of the IOI MSA

The IOI MSA was structured around "man days" (as opposed to through defined milestones) so that Intersect's TSC could provide input on what work would be included under the IOI MSA. As Intersect Employee 2 confirmed: "[i]t was open to Intersect to make changes or provide things that needed to happen, and they would come through the [TSC]."[447] Consistent with that framework, the IOI MSA itself provided for Intersect to identify its requirements on a quarterly basis, following which there would be a project increment meeting leading to "a detailed

[443]   Interview of Charles Hoskinson Part 2 (July 28, 2025).
[444]   Interview of Intersect Employee 1 (July 23, 2025).
[445]   Interview of Intersect Employee 1, Intersect Employee 2, and Intersect Employee 3 (June 22, 2025).
[446]   Interview of Intersect Employee 1 (July 23, 2025).
[447]   *Id*.

schedule of activities, deliverables and milestones."[448] Hoskinson confirmed that there needed to be "[s]ome companion entity that could look at the IO[I] work and confirm it was done."[449]

Ultimately, under the IOI MSA, IOI committed to 11,000 man-days of technical continuity work, including CIP-1694 governance tooling and protocol upgrades critical for Cardano network stability.[450] That time commitment came out of three months of discussions between IOI employees and a separate group of IOI and Intersect employees who were representing Intersect (and who were operationally separate from the rest of IOI).[451] Intersect Employee 1 explained that there was a lot of work done to establish "what needed to be done in man hours, mandates, how many [were] required . . . There was a big extrapolation to determine what the costs were."[452] That accords with the explanation from Input Output. As Input Output Executive 1 explained, "Intersect and IO[I] negotiated about the number of engineers needed to reasonably maintain the network,"[453] which were informed by IOI's prior (significant) experience.

As Hoskinson explained, the IOI MSA was not a profit center for IOI.[454] The total amount payable to IOI under the IOI MSA (a total of 31,500,000 ada, equivalent to $14,832,757 based on the USD value of the ada reflected on the invoices) was determined based on what was assessed to be the value of the man-hours required, and the actual cost to IOI of delivering under the agreement.[455] Because IOI would stand to benefit far more from the development of the ecosystem

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[448] *See* Master Services Agreement between Cardano Development Foundation, Input Output Infrastructure Pte Ltd and Intersect Section 3.3 (December 8, 2023) (REVIOGC0011-00000148).

[449] Interview of Charles Hoskinson Part 1 (July 25, 2025).

[450] *See* Master Services Agreement between Cardano Development Foundation, Input Output Infrastructure Pte Ltd and Intersect Section 3.3 (December 8, 2023) (REVIOGC0011-00000148). It appears that IOI also undertook many additional engineering activities related to Cardano that were outside the scope of the IOI MSA, including Voltaire upgrades and constitution initiatives.

[451] *See* Email from Intersect concerning IOI MSA (October 10, 2023) (REVIOGC0011-00272330).

[452] Interview of Intersect Employee 1 (July 23, 2025).

[453] Interview of Input Output Executive 1 (June 22, 2025).

[454] Interview of Charles Hoskinson Part 2 (July 28, 2025).

[455] *See* Master Services Agreement between Cardano Development Foundation, Input Output Infrastructure Pte Ltd and Intersect (December 8, 2023) (REVIOGC0011-00000148), cl 7.

as a whole than it would from the amount paid to it under the IOI MSA, its effective hourly rates were actually below the market rate.[456]

While interview witnesses indicated that there were no significant profits (or any profits) derived from the IOI MSA, it appears that certain of these efforts would have otherwise been undertaken and paid for by IOI regardless so as not to cause a shutdown of Cardano.[457] For example, Input Output Executive 1 indicated that IOI would have performed some of the tasks and hired some of the same vendors, even if they did not get the IOI MSA. Input Output Executive 1 also indicated that without the IOI MSA, IOI would have likely undertaken a lesser role in supporting the Cardano ecosystem and spent less.[458] IOI also did not use the contract as an opportunity to recoup expenses incurred in connection with its work prior. The expenses IOI claimed under the IOI MSA all related to the period of time covered by the agreement.[459]

When asked whether any of the IOI MSA funds went to pay insiders, Input Output Executive 1 stated that the "vast majority of funds were used to pay vendors," but there were also "AWS costs and software costs."[460] Input Output Executive 1 confirmed that he did not receive a personal financial benefit and "to the best of my knowledge, [Hoskinson] did not [either]."[461] In addition, Hoskinson indicated that "there was no money that went from the [IOI MSA] to me."[462]

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[456] Interview of Charles Hoskinson Part 2 (July 28, 2025).
[457] Interview of Input Output Executive 1 (July 29, 2025).
[458] *Id*.
[459] *Id*.
[460] Interview of Input Output Executive 1 (July 29, 2025).
[461] *Id*.
[462] *Id*.

H. IOI Issued Invoices Under the IOI MSA, and Intersect Independently Validated the Work Performed

From January 2024 onwards, all of the continuity contracts (including the IOI MSA) were managed by Intersect's delivery assurance team (steered by Intersect's TSC).[463] Under this management, Intersect closely monitored continuity contract progress, including IOI's performance under the IOI MSA. Intersect Employee 2 stated that when Intersect received an invoice from continuity contracts, "teams would deliver assurance that the contract work or milestone has been hit" prior to making payments.[464]

IOI issued its first invoice on April 26, 2024, for "Milestone 1 Signing of Contract (ADA 2,100,000)" with a balance due of $989,142.00 (the USD amount of the 2,100,000 ada at the time) and provided address addr1…qsg0[465] as its ada payment address.[466] On May 1, 2024, IOI received 2,100,000 ada in two transactions, a test transaction for 10 ada and another transaction for 2,099,990 ada from addresses addr1q…vvfm and addr1q...kvc8. Intersect confirmed these addresses belong to CDH.[467]

For the time period of the first invoice (Q1 2024), IOI focused on delivering the second round of fixes for CIP-1694.[468] This included introducing bootstrap era support to the Cardano

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[463] *See* Intersect, *Intersect Development Update 10th Edition*, INTERSECTMBO.ORG (last visited August 1, 2025), *available at* https://mpc.intersectmbo.org/intersect-development-update-10-april19th.

[464] Interview of Intersect Employee 1, Intersect Employee 2, and Intersect Employee 3 (June 22, 2025).

[465] *See* *Address: addr1qy2gaqwdez28kshshc2p6srk7v384e0gh5u5498rwyuds5c80hs90fk5emrln2pkjwskwwwnztp6pja5ttrtdp4paqcsd6 qsg0,* ADASTAT.NET (last updated April 24, 2025), *available at* Shelley Address addr1qy2gaqwdez28kshshc2p6srk7v384e0gh5u5498rwyuds5c80hs90fk5emrln2pkjwskwwwnztp6pja5ttrtdp4paqcsd 6qsg0 | Cardano Explorer.

[466] *See* Invoice to CDH (April 26, 2024) (REVIOGC0011-00000149).

[467] *See* *Transaction 10257428#38,* ADASTAT.NET (May 1, 2024), *available at* https://adastat.net/transactions/56d0d28a19600dca540e89ba58486b823aa2f9416d8ca1c62202261e052efefd; *See Transaction 10258921#7,* ADASTAT.NET (May 1, 2024), *available at* https://adastat.net/transactions/8e46ddcf0daa80b9fd858ab93e0501d63759ccb6ccc3af566ed77ee48765cbd2; *See also* Intersect address confirmations (REVIOGC0011-00939624); Intersect working file (REVIOGC0011-00938680).

[468] *See* Intersect, *Milestone report Q1 2024*, INTERSECTMBO.ORG (last updated 2024), *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/cardano-continuity/cardano-continuity-suppliers/cardano-continuity-reports/quarterly-reports/milestone-report-q1-2024.

node, finalizing the Plutus v3 cost model, and performing rigorous testing.[469] IOI also resolved key technical issues, updated DB Sync, and deployed the entire stack into SanchoNet, Cardano's testbed for governance features.[470] Concurrently, the team supported Intersect's expansion by assisting with a second wave of repository migrations from IOG, while progressing key network enhancements, including Genesis Lite and peer-sharing capabilities.[471]

On May 31, 2024, IOI issued CDH its second invoice for "2,750 man days of Services from Start Date (ADA 7,350,000)" with a balance due of $3,239,968.20 (the USD amount of the 7,350,000 ada at the time) and the same payment address, addr1…qsg0.[472] On June 6 and June 27, 2024, IOI received 7,350,000 ada in two transactions, one for 10 ada and another for 7,349,990 ada.[473]

For the time period for this second invoice (Q2 2024), IOI continued refining the governance node, focusing on stability, performance, and feature completeness.[474] The team delivered several updates to SanchoNet, which introduced the ability to use Plutus v3 within Conway-era transactions and integrated the latest governance logic.[475] These releases laid the groundwork for the Chang hard fork by implementing a version of CIP-69 specific to Plutus v3.[476] IOI also provided enhancements to network performance and began researching opportunities to improve system capacity ahead of increased governance activity.[477]

[469] *Id.*
[470] *Id.*
[471] *Id*.
[472] *See* Invoice to CDH (May 31, 2024) (REVIOGC0011-00000150).
[473] *See Transaction 10412090#5*, ADASTAT.NET (June 6, 2024), *available at* https://adastat.net/transactions/7a5d2f288a31a851b99bb7b20be8c50be84b644da4f32b59b6355c05115360e7; *See Transaction 10498273#3*, ADASTAT.NET (June 27, 2024), *available at* https://adastat.net/transactions/fa9c11e664cc672744a3053771a51a1fc4db2914bdba745ff9c5d2c362d877ae.
[474] *See* Intersect, *Milestone report Q2 2024*, INTERSECTMBO.ORG (last updated 2024), *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/cardano-continuity/cardano-continuity-suppliers/cardano-continuity-reports/quarterly-reports/milestone-report-q2-2024.
[475] *Id*.
[476] *Id*.
[477] *Id*.

On July 22, 2024, IOI issued CDH its third invoice for "delivering 5,500 man days of Services from Start Date (ADA 7,350,000)" with a balance due of $3,135,120.45 (the USD amount of the 7,350,000 ada at the time) and the same payment address.[478] On March 7, 2025, CDH sent IOI 10 ada to addr1q…qdu9 with an ada handle of "$iog_payment" and whose delegation part also refers to the same stake key as addr1…qsg0, and 7,349,990 ada on March 19, 2025, for a total of 7,350,000 ada.[479]

For the time period for this third invoice (Q3 2024), IOI's efforts shifted toward the final preparations for the Chang hard fork.[480] IOI and its subcontractors conducted and managed full user testing for CIP-1694 functionality, completed peer reviews and external audits of critical governance scripts, and coordinated incident support mechanisms alongside Intersect. Recognizing the need for broader ecosystem alignment, IOI collaborated with Input Output's community and communications teams to provide guidance to developers and dApp teams.

On November 5, 2024, IOI issued CDH its fourth and final paid invoice for "delivering 8,250 man days of Services from Start Date (ADA 7,350,000)" with a balance due of $2,454,341.40 (the USD amount of the 7,350,000 ada at the time) and the same payment

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[478] *See* Invoice to CDH (July 22, 2024) (REVIOGC0011-00000151).

[479] *See   Transaction   11573137#21*,   ADASTAT.NET   (March   7,   2025),   *available   at* https://adastat.net/transactions/45e20948faf761749749adf7d968c9b38003c14dafa54482c09aa9442d6bc6fa;   *See Staking account: #hash 077de057a6d4cec7f9a83693a16739d312c3a0cbb45ac6b686a1e831*, ADASTAT.NET (last updated   July   12,   2025),   *available   at* https://adastat.net/accounts/077de057a6d4cec7f9a83693a16739d312c3a0cbb45ac6b686a1e831; *See Transaction 11624053#12*,   ADASTAT.NET   (March   19,   2025),   *available   at* https://adastat.net/transactions/47c8d4f848f9aa3546ffa91b97f57ba87ba612299864e9a54ba7f6c14b6534be;   *See Transaction Details*, CEXPLORER.IO (April 8, 2023), *available at* https://cexplorer.io/handle?query=%24iog_payment; Wallet information from Input Output Finance Employee 1 (REVIOGC0011-00344709).

[480] *See* Intersect, *Milestone   report   Q3   2024*, INTERSECTMBO.ORG (last updated 2024), *available   at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/cardano-continuity/cardano-continuity-suppliers/cardano-continuity-reports/quarterly-reports/milestone-report-q3-2024.

address.[481] On April 22 and 23, 2025, IOI received 7,350,000 ada in two transactions.[482] Intersect

has not published the milestone report for the Q4 2024 invoice as of the date of the Investigative

Report.

IOI's fifth invoice, Invoice No. IOI-2025-001, for "delivering 11,000 man days of Services

from Start Date (ADA 7,350,000)" and $5,014,184.70 (the USD amount of the 7,350,000 ada at

the time) balance due, remains unpaid since its February 24, 2025 issuance.[483] A review of CDH's

transactions involving the identified addresses discussed above from February 24, 2025, until June

29, 2025, does not indicate that the final invoice was paid. Intersect has not published the

milestone report for the Q1 2025 invoice as of the date of the Investigative Report.

Accordingly, IOI received a total of 24,150,000 ada for its continuity work under the IOI

MSA. Each milestone payment pursuant to the IOI MSA was supported by detailed documentation

including GitHub repositories, node releases, timesheets, and milestone acceptance forms signed

by Intersect engineers.[484] During the same period, IOI paid 25,981,740 ada to third party

subcontractors.

I. IOI Distributed Proceeds Earned From the IOI MSA to Vendors

To complete certain tasks associated with the IOI MSA, IOI hired multiple external

vendors. To assess the appropriateness of IOI's invoices to CDH, BDO performed an analytic

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[481] *See* Invoice to CDH (November 5, 2024) (REVIOGC0011-00000152).
[482] *See Transaction 11767615#0*, ADASTAT.NET (April 22, 2025), *available at* https://adastat.net/transactions/c9134ba9bbe343c5b369e6bbdde642d08a919c0c0bc4f04b088faa30b525187f; *See Transaction 11771611#3*, ADASTAT.NET (April 23, 2025), *available at* https://adastat.net/transactions/4c5f59310050dff45495ed1231cb1ced623f0e84787cd17aea419749b5443aef; *See* Satoshi test to prove ownership of wallet (REVIOGC0011-00940441); *See Transaction 12034365#6*, ADASTAT.NET (June 23, 2025), *available at* https://adastat.net/transactions/399171a909a6ebe5b0e6e569004c075139c1f4755295a05cdaebf0a2dd763b39.
[483] *See* Invoice to CDH (February 24, 2025) (REVIOGC0011-00000153).
[484] *See* Milestone Acceptance Form for February 24, 2025 Invoice to CDH (February 24, 2025) (REVIOGC0011-00341929); *See* Timesheet for Invoice Three (July 26, 2024) (REVIOGC0011-00342169); Timesheet for Invoice Four (November 12, 2024) (REVIOGC0011-00342689); Timesheet for Invoice Five (February 26, 2024) (REVIOGC0011-00341928).

review of external vendor expenditures for milestone report updates and technical application work completed on the Cardano network in 2023 and 2024. Specifically, BDO analyzed a population of 92 vendor invoices associated with the IOI MSA, which represented over 50% of the total value of expenditures in that period. In BDO's review, each invoice amount reconciled without exception and appeared to relate directly to Cardano network upgrades and maintenance, with references to milestone status updates. The underlying detail that Input Output provided was supported by accompanying documentation.[485]

A review of external vendor invoices from 2023 and 2024 showed that the USD value of work performed, when converted to ada at the payment date, amounted to 25,981,740 ada. This supports the reasonableness of the ada amount ultimately expensed to IOI in 2024 under the IOI MSA, which (so far) has been 24,150,000 ada. Notably, the actual expenses incurred and paid to external vendors exceeded the amount paid directly to IOI for the project by 1,831,740 ada.[486]

J.   The Additional Continuity Contracts

In addition to the IOI continuity contract, Intersect entered into twelve other continuity contracts in 2024 with eight other vendors.[487] A brief description of the work performed by each vendor is described below.

1.   Bloxico Continuity Contract

Bloxico facilitated Cardano's Voltaire era by developing multiple web app-based tools. Specifically, Bloxico worked on GovTool, proposal discussion forums, DRep campaign platform,

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[485] Overview of Expenses covered from IOE payment (REVIOGC0011-00940477); Copies of Invoices (REVIOGC0011-00938808-00939007; REVIOGC0011-00939010-00939592; REVIOGC0011-00939593-00939623; REVIOGC0011-00939837-00939837).

[486] IOI also took the risk of payment in ada (as opposed to fiat), since the price of ada could drastically fluctuate over time. Therefore, if the value of ada declined during a particular time, IOI would still be on the hook to pay third-party vendors in fiat which could result in a loss to IOI.

[487] CDH funded some (but not all) of these continuity contracts from the unredeemed ada.

and the constitutional committee portal.[488]   None of Intersect's milestone reports mentioned Bloxico. In total, CDH contracted to pay Bloxico 43,000 EUR and $166,444 USD.[489]

2.   Byron Continuity Contract

Byron was responsible for building and then maintaining key parts of Cardano's off-chain governance tooling.[490] Specifically, its contract focused on the delegation and voting "pillars" of the Voltaire Governance Tool, known as GovTool.[491]   In total, CDH contracted to pay Byron 436,000 EUR.[492]

3.   DQuadrant Continuity Contract

DQuadrant developed a testing strategy for dApps on Cardano. The testing strategy aimed to ensure the delivery of reliable and functional testing practices, including the creation of a testing dashboard.[493] In total, CDH contracted to pay DQuadrant 88,550 EUR.[494]

4.   EMURGO Continuity Contract

Intersect contracted with EMURGO to support Cardano's continuity in three areas: (1) development and maintenance of the Cardano Serialization Library (critical for dApp developers and wallet interoperability), (2) continuous improvement of Yoroi (both browser extension and mobile versions), and (3) creation of educational materials to inform the community about CIP-1694 and the upcoming governance system. In total, CDH contracted to pay EMURGO 2,700,000

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[488] *See* Intersect, *2024 Cardano Continuity contracts*, INTERSECTMBO.ORG (last updated March 2025), *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/cardano-continuity.

[489] *See* Intersect, *2024 CDH Contracts*, *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/2024-intersect-cdh-and-grant-contracts/2024-cdh-contracts.

[490] *Id*.

[491] *See* Intersect, Weekly Development Update 10th Edition (2025), *available at* https://mpc.intersectmbo.org/intersect-development-update-10-april19th.

[492] *See* Intersect, *2024 CDH Contracts*, available at https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/2024-intersect-cdh-and-grant-contracts/2024-cdh-contracts.

[493] *See* Intersect, *Milestone report Q2 2024*, INTERSECTMBO.ORG (last updated 2024), *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/cardano-continuity/cardano-continuity-suppliers/cardano-continuity-reports/quarterly-reports/milestone-report-q2-2024.

[494] *See* Intersect, *2024 CDH Contracts*, available at https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/2024-intersect-cdh-and-grant-contracts/2024-cdh-contracts.

ada under this contract.[495] Intersect paid a portion of the contract invoices (2,336,251 ada) from the unredeemed ada transferred to CDH.

5. Galois Continuity Contract

Intersect's contract with Galois focused on exploring zero-knowledge proofs for Cardano using the Halo 2 protocol. Galois aimed to enable future interoperability and privacy features on Cardano through advanced cryptography. Galois researched and developed a prototype proving system or set of proof constructs that could be applied in Cardano's context – for instance, in sidechains, private transactions, or scalable verification of off-chain data. In total, CDH contracted to pay Galois $1,455,250 USD.[496]

6. Tweag Continuity Contract

Tweag, a software engineering firm with functional programming expertise, undertook six engagements in 2024 targeting Cardano's core protocol and governance mechanisms. Each was relatively small in scope but significant in impact. Key Tweag-led projects included: Ouroboros genesis implementation, block fetch optimizations, identity management script audits, open source program advisory, and governance "guardrails" script audits. In total, CDH contracted to pay Tweag $1,014,102 USD.[497]

7. WellTyped Continuity Contract

WellTyped developed new Log-Structured Merge tree implementations for Cardano's ledger storage to enable long-term scalability by storing large on-chain data structures (notably the UTXO set) on disk rather than in RAM, without sacrificing access efficiency. In total, CDH contracted to pay WellTyped $1,012,320 USD.[498]

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[495]   *Id.*
[496]   *Id.*
[497]   *Id.*
[498]   *Id.*

8. VacuumLabs Continuity Contract

VacuumLabs ensured that Ledger and Trezor hardware wallets remained fully compatible with Cardano's evolving protocol, particularly as it entered the Conway era (the phase introducing on-chain governance and new transaction types).[499] In total, CDH contracted to pay VacuumLabs $98,648 USD.[500]

K. Reconciliation of CDH Transfers

The reconciliation of the unredeemed ada sent to CDH begins with the 68,258,338 ada sent from the Vehicle to CDH's SME 152 in May and August 2023. A summary of BDO's reconciliation of the 68,258,338 ada is below, and each section is discussed further.[501]

68M Ada Reconciliation Analysis: CDH SME 152		
Activity Date Range	Activity	Ada Amount
5/28/23 - 8/31/23	**Initial Transfer:** Sent from Vehicle addresses to a single CDH SME 152 address in four transactions.	68,258,338
6/6/24 - 4/23/25	**IOI MSA Contract Payments:** Four IOI MSA contract payments sent from CDH SME 152 to Input Output addresses. Of the 24,150,000 received: 1. 18,927,679 ada transferred to Wave SME 1010, an Input Output treasury account; 2. 73,500 ada transferred to Intersect for fees; 3. 521,000 ada distributed across 47 addresses in seven transactions; 4. 4,627,831 ada of the payments remain at the initial payment address.	(24,150,000)
11/23/23 - 7/29/25	**Ada Payments**: From the initially transferred ada, Intersect administered grants and contracts for the following amounts: 1. Grants: 3,983,084 ada; 2. EMURGO/Summon Contracts: 2,336,251 ada and 137,000 ada; 3. MCC and Civics Payments: 77,484 ada and 24,735 ada; 4. Open source developer programs: 101,310 ada; 5. Deposit for governance actions: 3,441,327 ada to be returned 8/17/2025.	(10,101,191)

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[499] *See* Cardano, Chang, *available at* https://docs.cardano.org/about-cardano/evolution/upgrades/chang.
[500] *See* Intersect, *2024 CDH Contracts*, *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/2024-intersect-cdh-and-grant-contracts/2024-cdh-contracts.
[501] This reconciliation only addresses the 68,258,338 ada transferred from the Vehicle and the use of that ada. It does not reconcile any other Intersect or CDH ada or fiat transactions.

68M Ada Reconciliation Analysis: CDH SME 152		
Activity Date Range	Activity	Ada Amount
12/23 - 7/25	**Fiat Payments:** Of the initial 68,258,338 ada, CDH SME 152 liquidated 29,331,974 ada on Coinbase for USD.	(29,331,974)
11/10/23 - 7/31/25	**CDH SME 152 Remaining Balance:** 1. 4,670,954 ada remains; 2. 4,220 ada remains in CDH SME 152's Coinbase account.	(4,675,174)
	ada Overage/(Shortage)	**0**

1.   IOI MSA Contract Payments

IOI earned 24,150,000 ada for its continuity work under the IOI MSA. IOI transferred 18,927,679 ada to Wave SME 1010, an account described as an Input Output treasury account. IOI also sent 73,500 ada to Intersect for fees, and 521,000 ada to 47 addresses in seven transactions. These transactions include payments to Input Output employees and contractors.[502] Currently, IOI still holds 4,627,831 of the received ada at one of the original receiving addresses.

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[502] *See   Transaction   10576404#11*,   ADASTAT.NET   (July   15,   2024),   *available   at* https://adastat.net/transactions/985f0d9fd966b968d0e945420cdcc90b43537d32ae56c31bdfe285d0db086c54; *See   Transaction   12065540#2*,   ADASTAT.NET   (June   30,   2025),   *available   at* https://adastat.net/transactions/98e89e0655c02b548d905f78992732563c4a74b214df29d70afe9a4f4e466521; *See   Transaction   10504641#7*,   ADASTAT.NET   (June   28,   2024),   *available   at* https://adastat.net/transactions/46bc0554f0725bff32fb8133677975881845c553391e9a83986901213aedfcb1; *See   Transaction   12065542#4*,   ADASTAT.NET   (June   30,   2025),   *available   at* https://adastat.net/transactions/1229568e97ea44402639de605d2134846b6376d4ed4b27ab12116b2412698ea0; *See   Transaction   12073691#4*,   ADASTAT.NET   (July   2,   2025),   *available   at* https://adastat.net/transactions/09a9caf4e9e49e9cd223cdd286435daef539cd3039d30a4b6d290131ac6e7174; *See   Transaction   12096140#4*,   ADASTAT.NET   (July   7,   2025),   *available   at* https://adastat.net/transactions/63ef1b297086abf8d9b68c669c4f35a5c5829654493dd19c7dc9c8d4bb2d11a3; *See   Transaction   12126499#10*,   ADASTAT.NET   (July   15,   2025),   *available   at* https://adastat.net/transactions/abcdfb24f1d43df10e97be7ad4c285a1663b069b5c9399dbd5cfd8d3548fa26c; *See   Transaction   12197733#6*,   ADASTAT.NET   (July   31,   2025),   *available   at* https://adastat.net/transactions/5394ef72dd58c9f59909a452b7aff0ed2952352b28f4c6eb9d96a662022482f7;   *See Transaction,   11148856#32*,   ADASTAT.NET   (November   27,   2024),   *available   at* https://adastat.net/transactions/63817ac10638ad5cef3f84761e36ceb97f029f68f97ffbb2a76abd6a7c7882e0;   See *Transaction,   11147992#3*,   ADASTAT.NET   (November   27,   2024),   *available   at* https://adastat.net/transactions/3ec17b901b6c8cad4dacc4d697517dc8b517b105488aa533b45fa6475cd77e72; Interview of Wave Employee 1 (July 21, 2025); *See* Invoice, email, and wallet address attribution files (REVIOGC0011-00938684-00938680).

2.   CDH ada Transfers for Other Grant and Contract Payments

Between November 2023 and July 2025, CDH SME 152 facilitated transfers related to continuity contracts, or contracts needed to build or fix the Cardano blockchain; grants for specific initiatives and projects to develop the Cardano network; MCC payments, or membership and community contributions; and Civics payments, related to decentralized governance; open-source developer advocate programs designed to incentivize and empower Cardano developers; and ada deposits for governance actions, or on-chain proposals for Cardano's decentralized governance model.[503]

From the initial 68,258,338 ada transfer from the Vehicle to CDH, Intersect administered grants for 3,983,084 ada,[504] a portion of a continuity contract for 2,336,251 ada to EMURGO, and a 2024 CDH contract for 137,000 ada to Summon.[505] Payments for MCC and Civics initiatives amounted to 77,484 ada and 24,735 ada, respectively. Additionally, Intersect used 101,310 ada to support open-source developer advocate programs. Finally, Intersect deposited 3,441,327 ada for governance actions, with these funds to be returned on August 17, 2025, following on-chain voting.[506]

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[503] *See 2024 Cardano Continuity contracts*, INTERSECTMBO.ORG (last updated February 13, 2025), *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/cardano-continuity; *Grants*, Intersect, https://www.intersectmbo.org/grants (last updated September 10, 2024); *see Membership and Community committee (MCC),* INTERSECTMBO.ORG (last updated September 10, 2024), *available at* https://docs.intersectmbo.org/intersect-membership/intersect-committees/membership-and-community-committee-mcc; *see Cardano Civics committee (CCC)*, INTERSECTMBO.ORG (last updated September 10, 2024), *available at* https://docs.intersectmbo.org/intersect-membership/intersect-committees/civics-committee; *E.g., Join the second Developer Advocate Cohort and empower the Cardano ecosystem!* INTERSECTMBO.ORG (June 16, 2025), *available at* https://www.intersectmbo.org/news/join-the-second-developer-advocate-cohort-and-empower-the-cardano-ecosystem; *Introduction to Cardano Protocol Governance*, DEVELOPERS.CARDANO.ORG (July 5, 2024), *available at* https://developers.cardano.org/docs/governance/cardano-governance/governance-model/; *See* Intersect working file (REVIOGC0011-00938680).

[504] This amount only addresses the amount of ada granted from the initial transfer of unredeemed ada.

[505] Summon develops governance products on the Cardano network. *See Summon Platform*, CARDANOCUBE.COM (last visited August 20, 2025), *available at* https://www.cardanocube.com/projects/summonplatform.

[506] *See* Intersect working file (REVIOGC0011-00938680).

3. Coinbase Transactions for Fiat

Of the initial 68,258,338 ada, CDH used Coinbase to liquidate 29,331,974 ada for USD and received $19,965,237 in its bank account between December 2023 and July 31, 2025.[507]

Of this sum, CDH transferred $19,657,718 to Intersect, with the difference representing payments for Wave fees, professional services, bank service charges, and to a demand deposit account.[508] Specifically, CDH paid $181,185 to Wave,[509] and paid another $135,275 for professional services.[510] CDH earned $2,639 in interest, paid $65 in bank service charges, and received $6,745 from its demand deposit account.[511] A summary chart of the Coinbase and fiat transactions is below.

CDH SME 152 Fiat Reconciliation Analysis			
Activity Date Range	**Activity**	**Ada Amount**	**Use of Liquidated Ada in USD Amount**
12/14/2023-7/15/2025	Total amount CDH SME 152 Bank Account received from Coinbase Liquidations	29,331,974	$19,965,237
12/28/2023-7/17/2025	CDH SME 152 Net Transfers to Intersect		$(19,657,718)
12/28/2023-7/25/2025	Payments to Wave		$(181,185)
12/27/2023-7/25/2025	Payments for Professional Services		$(135,275)
1/31/2024-7/31/2025	Bank Service Charges		$(65)
1/2/2024-7/1/2025	Demand Deposit Account Transfers		$6,745
12/21/2023-7/31/2025	Interest Earned		$2,639
Remaining Balance as of 7/31/2025			**$379**

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[507] CDH SME 152 Coinbase Statement Files (REVIOGC0011-00938562-00938638; REVIOGC0011-00938728-00938728; REVIOGC0011-00938718-00938720; REVIOGC0011-00938734-00938736) CDH SME 152 Bank Statements (REVIOGC0011-00938739-00938806; REVIOGC0011-00938679; REVIOGC0011-00938682-00938683); Ada liquidations for USD also included an additional 338,800 ada from staking rewards comingled in Coinbase with the 29,331,974 ada during the USD withdrawal process.

[508] Wave provided BDO with bank statements for CDH SME 152 and Coinbase statement files including transaction details; *See* CDH SME 152 Bank Statements (REVIOGC0011-00938739-00938806; REVIOGC0011-00938679; REVIOGC0011-00938682-00938683) (Intersect made five transfers back to CDH SME 152's bank account that is accounted for in this total); *See* Intersect working documentation corroborating receipt of funds in March 2024, November 2024, February 2025, and June 2025 (REVIOGC0011-00938680); QuickBooks data (REVIOGC0011-00940474).

[509] CDH SME 152 Bank Statements (REVIOGC0011-00938739-00938806; REVIOGC0011-00938679; REVIOGC0011-00938682-00938683).

[510] *Id*.

[511] *Id*.; Demand deposit account transfers reflect Axos Bank using IntraFi Cash Services which allows customers to distribute deposits across a network of banks to earn interest and access funds on demand from these banks.

4. Use of Fiat Sent to Intersect

Intersect received $19,657,718 in fiat from CDH SME 152 for operating costs and contract obligations.[512] Intersect also receives membership fees and ecosystem payments, which supports its operations. According to its website, Intersect lists a total of 66 contracts for 2024 to be paid in fiat: 27 Intersect contracts and 39 CDH contracts.[513] The combined value of these contracts amounts to $12,377,103, €1,220,745, and £3,054,791. Of these, 52 contracts display as complete, 3 as closed, and 11 as in progress.[514]

BDO reviewed data and documents from Intersect, including a working file containing transaction information on the Cardano network, wire transfer descriptions, and invoice trackers for payments in both fiat and ada.[515] Additionally, BDO reviewed copies of contracts, a raw QuickBooks extract containing entries from January 4, 2024, through August 6, 2025, and an updated file, which included additional QuickBooks and wire descriptions from January 3, 2024, through August 10, 2025.[516]

Using the provided data, BDO attempted to reconcile and confirm the fiat payments for the 2024 contracts by matching contract amounts listed on Intersect's website to payments recorded in the QuickBooks extract. At a high level, BDO reconciled approximately 96% of the total value

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[512] CDH SME 152 Bank Statements (REVIOGC0011-00938739-00938806; REVIOGC0011-00938679; REVIOGC0011-00938682-00938683); Interview of Intersect Employee 1, Intersect Employee 2, and Intersect Employee 3 (June 22, 2025).

[513] *See 2024 Intersect Contracts,* INTERSECTMBO.ORG (last updated April 16, 2025), *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/2024-intersect-cdh-and-grant-contracts/2024-intersect-contracts; *See* 2024 CDH Contracts, INTERSECTMBO.ORG (last updated April 16, 2025), *available at* https://docs.intersectmbo.org/archive/cardano-budget-archive/intersect-operational-services/2024-intersect-cdh-and-grant-contracts/2024-intersect-contracts.

[514] *Id.*

[515] *See* Intersect working file (REVIOGC0011-00938680).

[516] *See* CDH and Intersect Contracts (REVIOGC0011-00938689-009387161; REVIOGC0011-00938721-00938726); QuickBooks data (REVIOGC0011-00940474); Additional QuickBooks and bank wire data (REVIOGC0011-00940476).

of USD contracts, 97% of the total value of EUR contracts, and 12%[517] of the total value of the GBP contracts.[518]

5. CDH SME 152 Remaining Balance

A CDH SME 152 address still holds 4,670,954 ada,[519] and a Coinbase account has a balance of 4,220 ada for a total balance of 4,675,174 ada from the initial unredeemed ada transfer to CDH. This amount includes 100,000 ada staked in another address.[520]

XII. CURRENT STATUS OF REMAINING VOUCHER REDEMPTIONS[521]

Following the work of Island Hills described above (*see supra* Section IX.E.) to visit additional remaining unredeemed Voucher Holders, there are currently eight active redemption cases representing approximately 7,300,000 ada.[522] For many active cases, TKI Law established an initial contact and communications with the unredeemed Voucher Holder or their heirs.[523] Of these eight active redemption cases, as of the publication of the Investigative Report, Sawyers successfully completed the final redemption for one case and successfully completed a test transfer

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[517] These sums include "in progress" contracts that could have outstanding work and corresponding payments still to be made. For the few GBP contracts, a single, large "in progress" contract significantly impacts this total.

[518] *Id.*; Percentages calculated using the total amount paid to contracted vendors reflected in QuickBooks over the total listed amounts on Intersect's website for each currency.

[519] *See* *Address: addr1qxz2g597k97hduwgcuvyn4yln3864aa8nf2z7clyvcfzdmyy53gtavtawmcu33ccf82fl8z04tm60xj59a37gesjymkq5mt jfg,* ADASTAT.NET (last transaction July 29, 2025) *available at* https://adastat.net/addresses/addr1qxz2g597k97hduwgcuvyn4yln3864aa8nf2z7clyvcfzdmyy53gtavtawmcu33ccf82fl 8z04tm60xj59a37gesjymkq5mtjfg; *See Transaction 9527026#4,* ADASTAT.NET (November 19, 2023), *available at* https://adastat.net/transactions/e40efd6a4ad7a7ac8bc952e76863510876b320766d52f1786c2c3b0d652bdb9d.

[520] *See* *Transaction 11799120#7,* ADASTAT.NET (April 29, 2025), *available at* https://adastat.net/transactions/0e0b488bf89d415d586e0fe5ea0bdcdf3cdeb2c26e07c77e8fd60bae41602ab9.

[521] Based on the timing of the Investigative Report publication, any successful redemptions in this section are not reflected in the data in any previous section.

[522] *See* ada Redemption: Cases update (August 19, 2025) (REVIOGC0011-00940538).

[523] *Id.*

for another case.[524] The remaining six cases are awaiting responses from or actions by the Voucher

Holders before progressing in the redemption process.[525]

Despite no explicit obligations in any of the Voucher Program contractual agreements, in

their interview, Hoskinson indicated that a refund process is currently being set up. Hoskinson

committed that if a confirmed unredeemed Voucher Holder comes forward before October 1, 2028,

Hoskinson will permit the Voucher Holder to either (1) receive a refund in JPY; or (2) receive a

refund in JPY and could "repurchase the ada [from Hoskinson]…at the original [purchase]

price."[526]

XIII. CONCLUSION

After review of tens of thousands of documents, a forensic on-chain and traditional forensic

analysis, and eighteen formal interviews of current employees, former employees, Voucher

Holders, service providers, community members, and other third parties, the Investigation

determined that each of the allegations related to the Topics of Investigation do not have any basis.

Importantly, 14,282 Vouchers (99.2%) consisting of 25,850,401,508 of all ada sold

pursuant to the Voucher Program (99.7%) have been successfully redeemed through the on-chain

redemptions and Post-Sweep Redemption Project. As such, only 0.8% of Vouchers consisting of

0.3% of all ada sold pursuant to the Voucher Program remain unredeemed as of August 15, 2025.

The redemption process is still ongoing, and if a confirmed unredeemed Voucher Holder comes

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[524] *See* Voucher List Excel file (REVIOGC0011-00938544) at ID 1349; *See Transaction 12184064#0*, ADASTAT.NET (July 28, 2025), *available at* https://adastat.net/transactions/97063f87f177f704dfbc5736d6daf53824be247f3fc19b9a7f826f15322afdf7; *See Transaction 12286723#24*, ADASTAT.NET (August 21, 2025), *available at* https://adastat.net/transactions/4ecf3bb08ced36501d72e3522a873b7e2cd990a5288a3ce6e0932940f363fc89; *See* Voucher List Excel file (REVIOGC0011-00938544) at ID 1056; *See Transaction 12286739#1*, ADASTAT.NET (August 21, 2025), *available at* https://adastat.net/transactions/a9718d258d8b5ac2eb02851421e9e6cfd0d14220a83259f8539e2a8a3c21686c.
[525] *See* ada Redemption: Cases update (August 19, 2025) (REVIOGC0011-00940538).
[526] Interview of Charles Hoskinson Part 2 (July 28, 2025).

forward before October 1, 2028 Hoskinson indicated that he will refund and allow repurchase at the original price.

Overall, the Investigation demonstrated that Input Output and Sawyers acted diligently and created structured safeguards to ensure manual redemptions and responsible governance of funds.

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