



WORKCO, INC. d/b/a TOKU v. LIQUIFI, INC. and BENJAMIN SNIPES

Toku Argument [REDACTED]

April 23, 2025

TOKU

What this Case is About

- *Toku's former top lawyer broke his promises & ethical obligations to Toku by taking Toku's trade secrets*
- *LiquiFi—attempting to “Crush Toku”—took advantage of Snipes' eager participation, encouraged him to share Toku's trade secrets, and used them to cultivate a partner (Deel)*

LiquiFi Aims to “Kill” “Crush” Toku With Deel

PK <patrick@liquifi.finance>

10/31/2024, 3:06 PM

Hannah and Jenna apologized to me. They said head of sales and partnerships said its their fault and just do 25%.

Alex the CEO - Got mad and came into the meeting and asked why Liquifi situation isn't perfect yet and why Toku is not out of the picture yet after he asked for it to be done when Scroll churned.

out of the picture yet after he asked for it to be done when Scroll churned.

D

Daniel <d@liquifi.finance>

11/22/2024, 4:05 PM

yes definitely 🙌

Re: Toku Framing,

PX39

Killing and Crushing Toku is Alex & PHB language

I want to send Toku creativity in the memo

And emphasize that Remote as the potential to do this

THUS --> Toku is not an option for you to buy/partner; Remote is obviously not an option

If they see Remote as the competitor, they don't need to move that fast, Remote is pretty sucky and doesn't even do US

PEO market

Toku is a better competitor reference to aim at

PX127

Further details are best discussed live.

That means
the value

Liquifi has every insight into how to kill them

Remote through Toku's former COO. Still, a16z and Dragonfly, our Deel x

PX46

Snipes Provided The “Insights” and “Blueprints”

PK <patrick@liquifi.finance>
Ben hates Ken to the max.

DK (cstrike@liquifi.finance) 9/26/2024, 3:48 AM
Ben is making it his mission to shun Toku out of the GC circle connections there.

R Robin Ji <robin@liquifi.finance>
Oh man that's nuts. Sounds like a good ally

R Robin Ji <robin@liquifi.finance>
Like REALLY good ally

R Robin Ji <robin@liquifi.finance>
Spiteful ex-competitor

9/26/2024, 4:04 AM

9/26/2024, 4:04 AM

PX42

7:13 - Daniel de Sa (liquifi.finance)

I do plan to, I need to find the right strategy, basically, at some point, We have the former general counsel of Tokyo alignment and the will to crush Tokyo, we have it in a path here. Get you together.

7:46 - Benjamin Snipes (liquifi.finance)
Yeah. Yeah.

PX106

> B Ben <ben@liquifi.finance>

11/6/2024, 7:09 PM

PX41

Redacted for Privilege

> D Daniel <d@liquifi.finance>

11/6/2024, 7:10 PM

also just sharing ideas. I had been thinking along the lines of

Because we are delivering so much value, market insight, the blueprints to kill Toku

> D Daniel <d@liquifi.finance>
The Anti-Toku Army rides at day

11/8/2024, 12:01 PM

> B Ben <ben@liquifi.finance>

The Anti-Toku Army rides at dawn

34 PM

PX108

(<https://i.giphy.com/media/v1.Y2lkc5MGI3NjExOW55N2cyejlxZ2FzdHJpcGxzNnJYnk1am1pajFmdGV5eWdyMmVsZiZlZD12MV9pbmRlcm5hbF9naWZfYnlfYWQmY3Q9Zw/13ft0RqUNahjMs/giphy.gif>) (<https://i.giphy.com/media/v1.Y2lkc5MGI3NjExOW55N2cyejlxZ2FzdHJpcGxzNnJYnk1am1pajFmdGV5eWdyMmVsZiZlZD12MV9pbmRlcm5hbF9naWZfYnlfYWQmY3Q9Zw/13ft0RqUNahjMs/giphy.gif>)

Toku Meets Its Burden For A Preliminary Injunction

- Toku's Claims Are Likely to Succeed on Merits
 - Breach of Contract
 - DUTSA Claim
 - Breach of Fiduciary Duty
 - Aiding and Abetting Breach of Fiduciary Duty
 - Deceptive Trade Practices Act
 - Tortious Interference and Unfair Competition
- Toku Will be Irreparably Harmed Absent Injunctive Relief
- Balance of Hardships Weigh In Toku's Favor

The January 3, 2025 Status Quo Order (Dkt. 26)

Until such time as a preliminary injunction hearing can be held and an order thereafter entered, Defendants, including any of their agents, employees, officers, and representatives, agree as follows:

- a) Defendants shall refrain from all use or disclosure of any documents that Snipes or Alcock downloaded or otherwise took from Toku while employed by Toku or while they had access to Toku's network;
- b) Defendants shall refrain from all use or disclosure of any confidential or privileged information that Snipes or Alcock learned while employed by Toku or while they had access to Toku's network;
- c) Defendants shall refrain from all use or disclosure of any Toku trade secrets, including those identified in Paragraph 67 of the Complaint;
- d) Defendants shall refrain from making false representations to customers or potential investors about Toku's business and services;
- e) Defendants agree to return any documents and/or recordings of Toku trade secrets, Toku confidential information (including but not limited to employee and personal information), Toku privileged information, or Toku customer information that Defendants learn were obtained from Toku and are within Defendants' possession, custody, or control;
- f) Defendants agree that Benjamin Snipes shall not participate in any meetings with potential customers.

Toku's Proposed Order Granting Preliminary Injunction (Dkt. 157)

Defendants, including any of their agents, employees, officers, representatives, and those persons in active concert or participation with them are all:

- a) Enjoined from using or disclosing any Toku documents Benjamin Snipes, Kirk Alcock, or Patrick Kim downloaded or otherwise took from Toku while employed by Toku or while they had access to Toku's network;
- b) Enjoined from using or disclosing any Toku confidential or privileged information that Snipes, Alcock, or Kim learned while employed by Toku or while they had access to Toku's network;;
- c) Enjoined from using or disclosing Toku trade secrets or confidential information, including by prohibiting LiquiFi from directly or indirectly offering, developing, or providing (including in partnership with Deel, Inc.) employer of record ("EOR") products or services integrated with token grant administration services and real-time tax withholdings for token-based compensation products and services in competition with Toku;
- d) Enjoined from making representations to customers or potential investors about Toku's business and services based on any information learned from or through Snipes, Alcock, or Kim;

Toku's Proposed Order Granting Preliminary Injunction (Dkt. 157)

Defendants, including any of their agents, employees, officers, representatives, and those persons in active concert or participation with them are all:

- e) Ordered to return all Toku confidential and/or privileged documents and/or recordings, and all documents and/or recordings containing Toku trade secrets or customer information that Snipes or Alcock took from Toku, or that were otherwise misappropriated from Toku;
- f) Enjoined from soliciting or engaging in any new business with the entities listed in Toku's confidential customer or legal contacts lists. E.g., PX9, PX10, PX23, PX62, PX63.
- g) Enjoined from directly or indirectly offering, developing, or providing (including with Deel, Inc.) EOR products or services integrated with token grant administration services and real-time tax withholdings for token-based compensation products and services to the entities listed in Toku's confidential customer lists that are currently Toku customers. E.g., PX9, PX10, PX62, PX63.

Defendant LiquiFi, Inc. is ordered to produce all systems for inspection to Toku's counsel and forensic expert to determine whether and how Toku documents were used and where they may still remain.

Toku's Founding

TOKU



Dominika Stobiecka

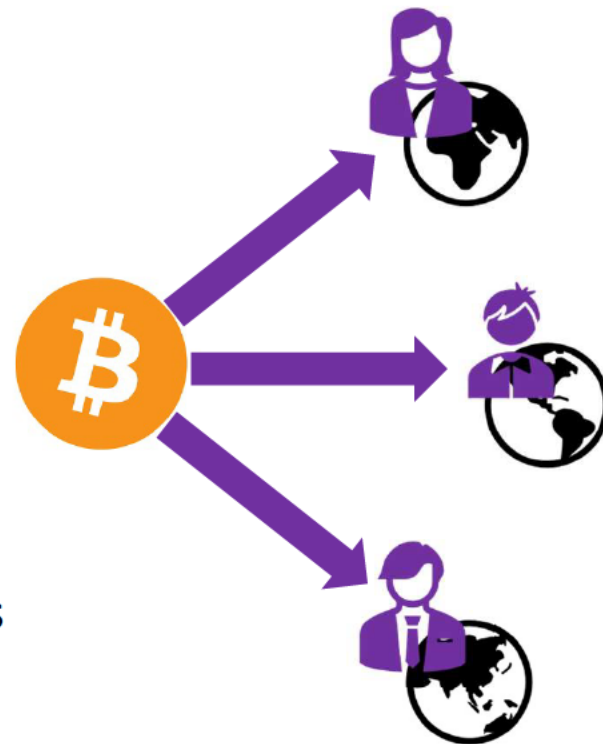
Toku Co-founder & Chief Product Officer



Ken O'Friel

Toku Co-founder & CEO

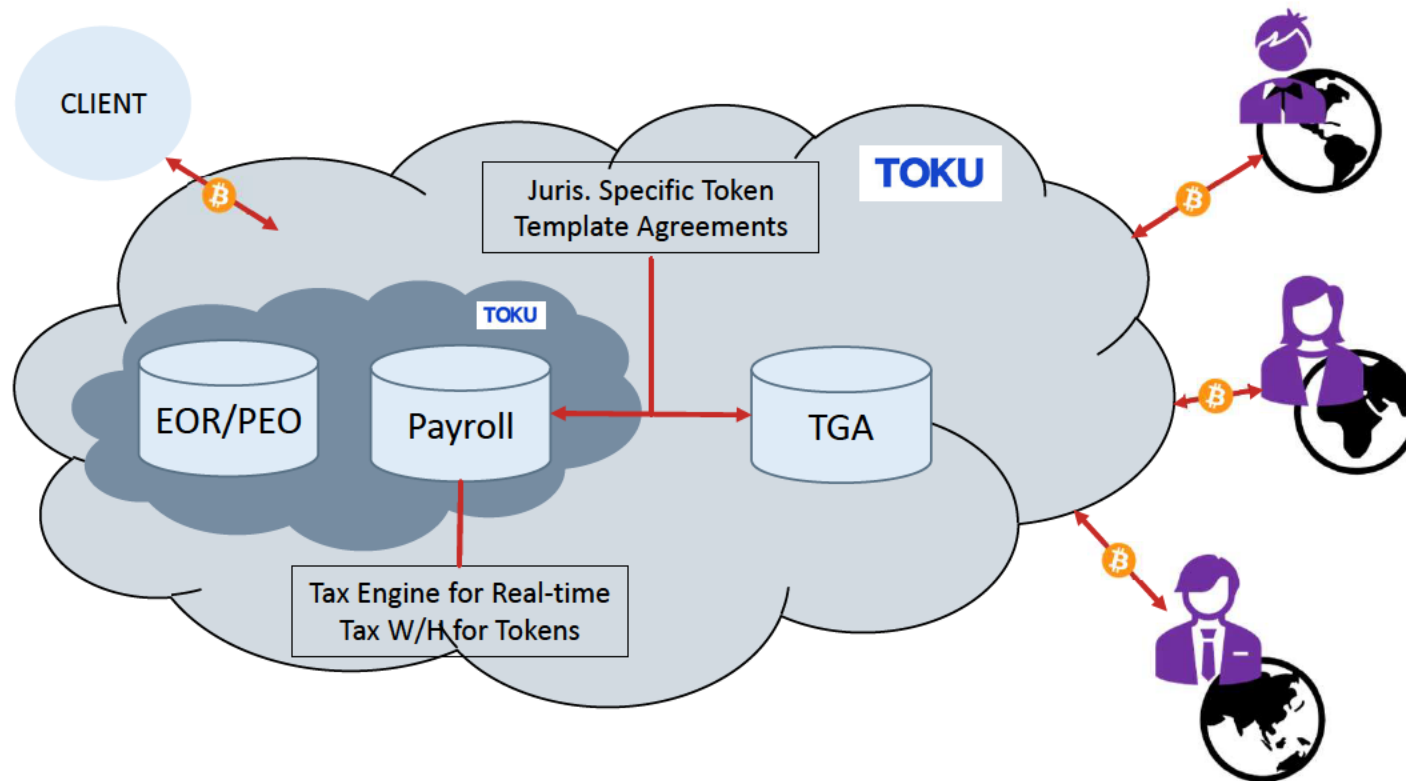
- Toku's business is providing a crypto native compensation platform for customers who want to compensate their employees and investors with crypto tokens.
- "Token" is a blockchain-based asset.
- "Fiat" is traditional currency backed by government, e.g. U.S. Dollar.
- Many companies, especially in the crypto business, compensate their employees and investors with tokens.
- Those recipients of tokens are often located all over the world.
- These companies and the recipients of tokens need to be able to manage their assets and ensure compliance with local tax laws.



Toku's Business

TOKU

Mission: “simplify token compensation, while prioritizing a flawless user experience, world-class solutions, and adherence to regulatory compliance.”



Toku Hires Benjamin Snipes



Benjamin Snipes

*Defendant and Former In-House
Lawyer at Toku and LiquiFi*

- Toku hired defendant Benjamin Snipes as Head of Legal in June 2023.
- Snipes' duties included reporting directly to Toku's CEO, managing the legal team, compliance with laws and regulations, managing external relationships with outside counsel, and planning Toku's legal strategy .
- Snipes is barred in Washington D.C. and subject to the D.C. Rules of Professional Conduct
- Signed Confidentiality Agreements
 - CIAA (PX14) & NDA (PX15)

Snipes Agreed to Protect Toku's Secrets

June 30, 2023

Trade secrets, know-how, research, product or service ideas or plans

b. **Confidential Information.** I understand that "Confidential Information" means any and all information and physical manifestations thereof not generally known or available to the public and any and information and physical manifestations thereof entrusted to the confidence by third parties, whether or not such information is patentable, copyrightable, or otherwise legally protectable. Confidential Information includes, without limitation, (i) Company Inventions (as defined below); and (ii) technical data, trade secrets, know-how, research, product or service ideas or plans, software codes and

agreements with third parties

lists of information relating to, employees and consultants of the Company

processes, formulas, techniques, biological materials, mask works, and drawings, hardware configuration information, agreements with third parties, lists of, or information relating to, employees and consultants of the Company (including, but not limited to, contact information, jobs, compensation, and expertise of such employees and consultants), lists of, or information relating to, suppliers and customers

lists of, or information relating to, suppliers and customers

Business plans

data, market share data, marketing plans, licenses, contract information, financial forecasts, historical financial data, budgets or other business information disclosed to me by the Company either directly or indirectly, whether in writing, electronically, orally, or by observation.

Remedies.

I acknowledge that violation of this Agreement by me may cause the Company irreparable harm

orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security (or, where such a bond or security is required, that a \$1,000 bond will be adequate), in addition to and without prejudice to any other rights or

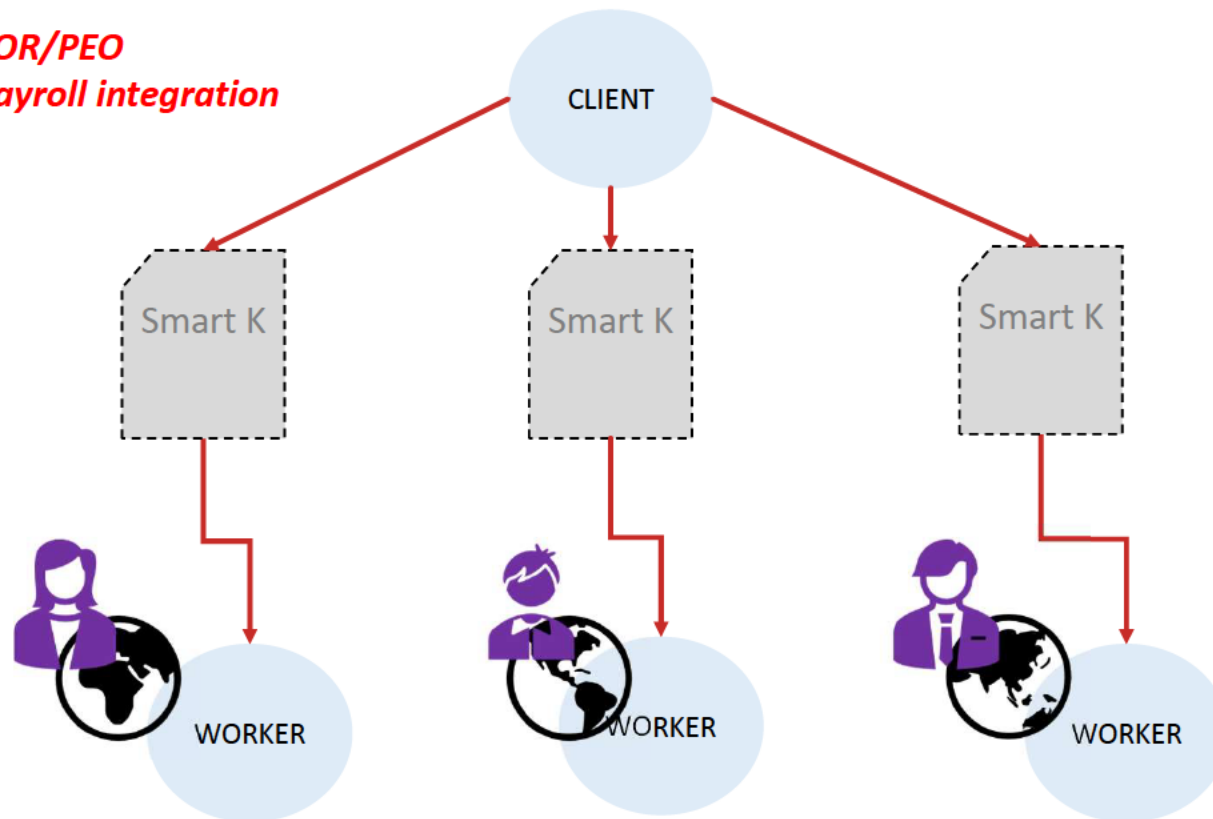
— PX14 (Snipes CIIAA) § 3.b., 11(f)

LiquiFi's Business - Original

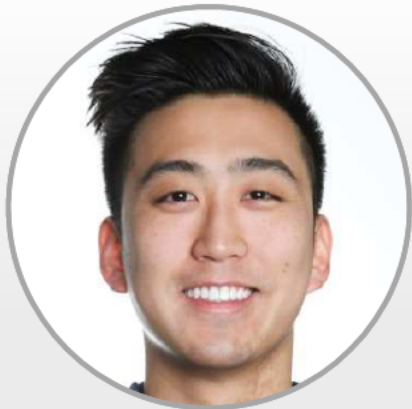
Smart contract-based token grant administration

No EOR/PEO

No Payroll integration



LiquiFi Recognized Market Demand for EOR in 2023



Robin Ji
LiquiFi CEO

- Q. So as of November 7th, 2022, you and LiquiFi had “no interest in becoming an EOR ourselves,” right?
- A. That's correct.
- Q. Okay. At this point, you were not developing crypto-native EOR MVP?
- A. We were not.

Subject: Liquifi Investor Update (November 2023)

Bcc: investors-private@liquifi.finance

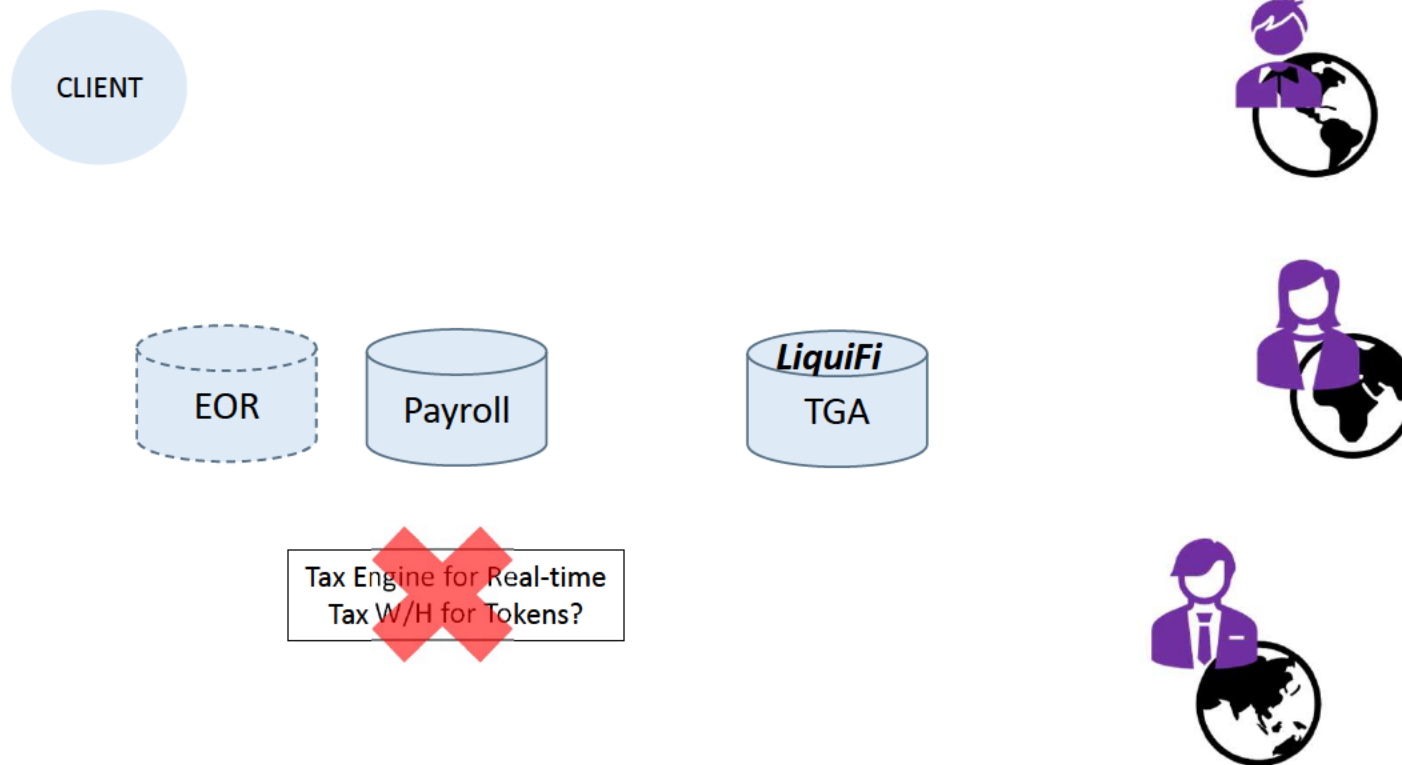
Going into 2024, our other big experiment is to build out a crypto-native EOR MVP and we'll be using Q1 2024 to validate and sell ahead on this solution quickly. We see a subset of our customers asking for this and have been in bake-offs where it's a priority. This segment is

PX34

- Q. The lack of an EOR or payroll offering was preventing LiquiFi from signing on some customers that it wanted?
- A. **The lack of an EOR payroll solution for the customers that wanted that, yes, we would not get those customers.** – Ji at 79:23-80:2, 83:4-13

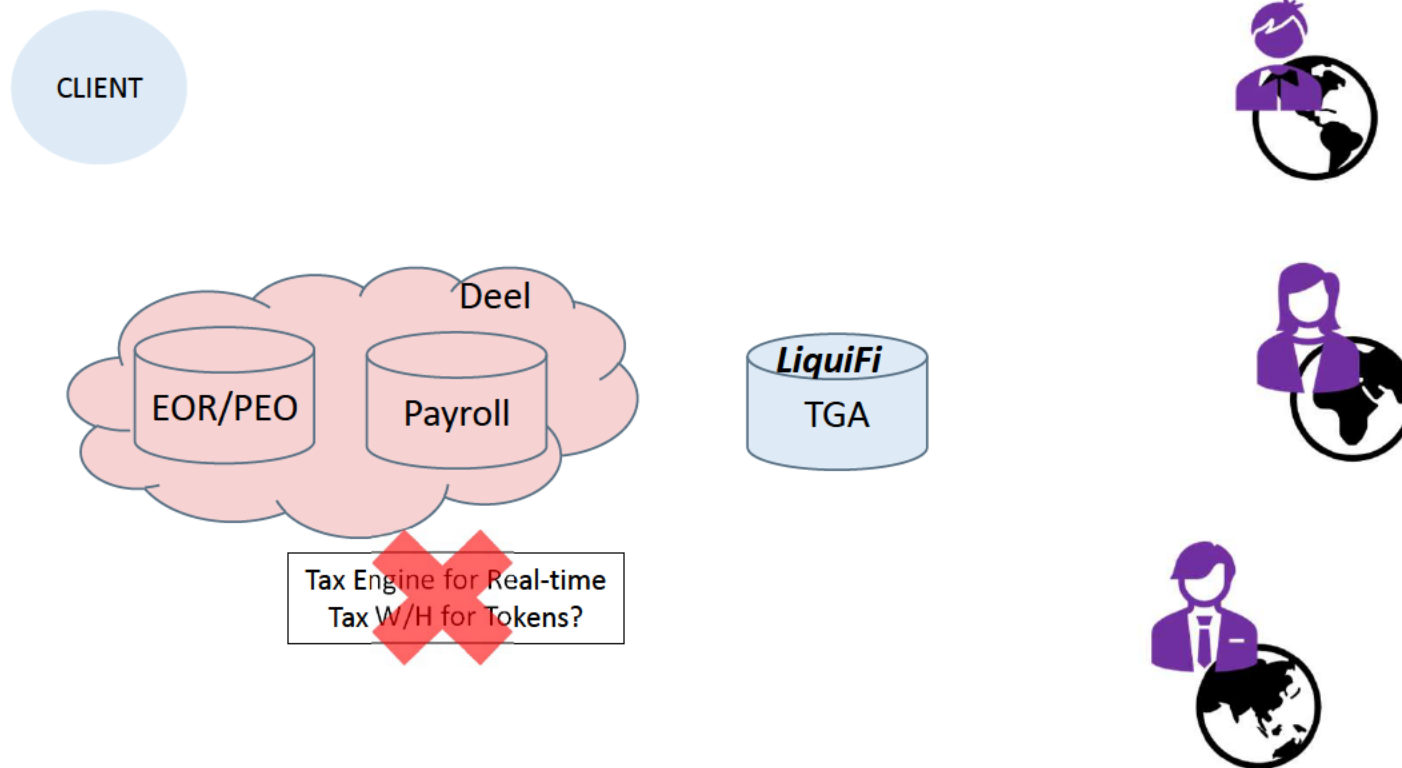
LiquiFi's Business – Pre-Snipes

Tried to develop in-house Tax Engine

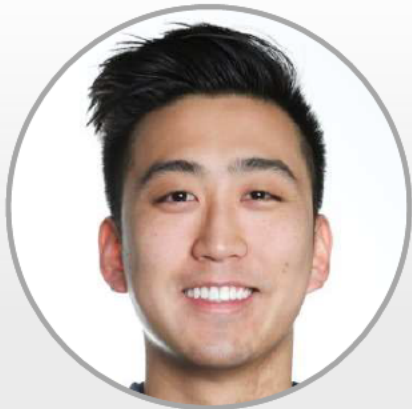


LiquiFi's Business – Pre-Snipes

Tried to partner with 3rd Party ... but no Tax Engine



LiquiFi Tried to Partner with Deel in March 2024



Robin Ji
LiquiFi CEO

- Q. Well, when did LiquiFi and Deel first discuss the idea of a product integration?
- A. On or about March 2024.
- ...
- Q. Okay. You say that it [']looks like there's some blockers from Deel that makes the API integration currently planned for Q4 not worthwhile to pursue until Deel figures out some internal tracking methodology for tokens on their side.' Do you see that?
- A. Yes.
- Q. What did you mean by that?
- A. **When we were building out this integration with Deel, they had temporary obstacles or hiccups that needed to work out that would impact the timing of the delivery date.**

— Ji at 61:3-6, 317:5-19

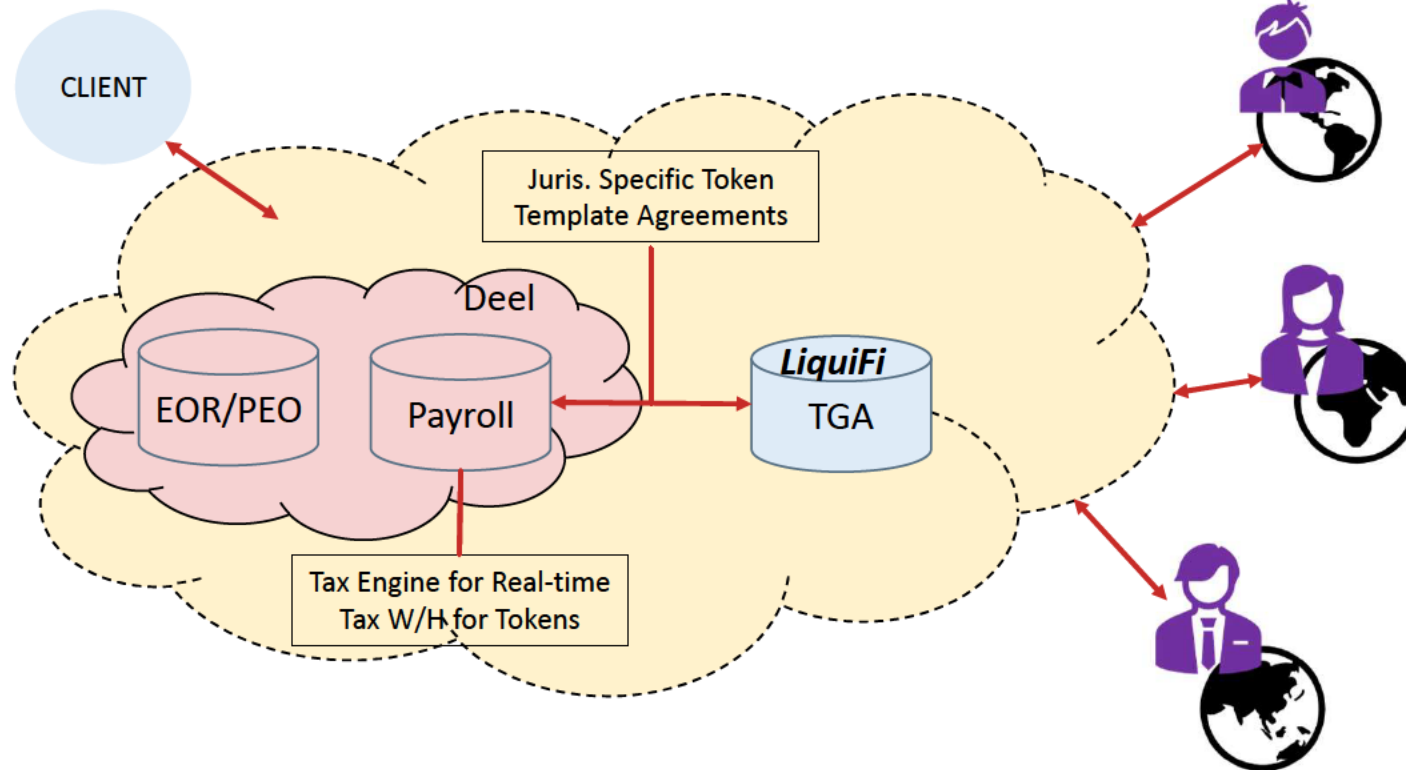
LiquiFi's Business – Post-Snipes

Snipes Joins & Shares Templates, Strategy and Contacts

...voila... they market Real-Time Tax W/H

"Q1 of 2025"

Ji at 124:21-125:6



LiquiFi Leverages Snipes' Insights

November 1, 2024

• (May require legal input (Benjamin on standby)) [https://fathom.video/calls/174108684?tab=summary×tamp=699.0]

Deal Strategy Discussion

• (Daniel plans to leverage Benjamin's insights from Toku experience) [https://fathom.video/calls/174108684?tab=summary×tamp=720.0]

• (Separate discussion to be scheduled) [https://fathom.video/calls/174108684?tab=summary×tamp=720.0]

Next Steps

• (Daniel to meet with James (Autonomous) to present partnership framework) [https://fathom.video/calls/174108684?tab=summary×tamp=123.0]

Deal Strategy Discussion

• (Daniel plans to leverage Benjamin's insights from Toku

experience) [https://fathom.video/calls/174108684?tab=summary×tamp=720.0]

• (Separate discussion to be scheduled) [https://fathom.video/calls/174108684?tab=summary×tamp=720.0]

AI Summary of Internal Strategy Meeting

– PX100 at LQ_0008680.

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LQ_0008680

LiquiFi and Deel Aim to “Crush Toku”

October 31, 2024

Messages in chronological order (times are shown in local time)

partnerships

P PK <patrick@liquifi.finance>
Deel (Sales/Onboarding) Discussion
1 - Daniel <d@liquifi.finance> 1 - Daniel

> P PK <patrick@liquifi.finance>
Hannah and Jenna apologized to me. They said
revshare until they figure something out.

Alex the CEO - Got mad and came into the meeting and asked why Liquifi
out of the picture yet after he asked for it to be done when Scroll churned.

It has been mandated by Alex to product, tax, partnership and sales to figure it out and give whatever we need to build
out and win the market. Product and tax has been tasked to work with us on a buildout of what we need to satisfy
customers.

This changes the expectation of us to bring in certain numbers and this is more of a mandate from Alex to take Toku out
of the market, less so how much revenue we can bring in for them.

Also Quinn will be c

They were not aware about us telling partnerships to move ChainML and Monad labs Deel accounts over to us and
Jenna.

They are giving all this feedback to head of partnerships
told her if this doesn't get fixed we are taking our
Hannah and Jenna are confused on the structure
and myself to try and resolve. Most likely belz, he

1 - Daniel <d@liquifi.finance> 1 - Daniel
> D Daniel <d@liquifi.finance>
bring me to any calls plz

belz got fired last night

> D Daniel <d@liquifi.finance>
okay good chat just now, PK --- this is not positive

Alex wants to kill Toku more than see lots of revenue
we'll continue after tax class

thankyou 1 - PK <patrick@liquifi.finance>

> D Daniel <d@liquifi.finance>
More insight on WHY Alex cares (cc: @Robin J.)

in no particular order, Jordyn said, in her view, he

He cares the most about Deel product, he is annoyed
Partnerships is super important to him and the co.

He views and sees Liquifi has 1 of a kind, unique
money (but in the established basic ways)

Liquifi's name and brand are growing, "every time
things about Liquifi"

She used the language "feeling the heat from Toku
Ego is who and to crush Toku

Connected to Product --> the pieces are in place
to crush Toku

He personally likes crypto

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LQ_0032506

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P PK <patrick@liquifi.finance>

Deel (Sales/Onboarding) Discussion

1 - Daniel <d@liquifi.finance> 1 - Daniel <d@liquifi.finance>

> P PK <patrick@liquifi.finance>
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They were not aware about us telling partnerships to move ChainML and Monad labs Deel accounts over to us and Jenna.

– PX39 at –LQ_0032506

LiquiFi and Deel Aim to “Crush Toku”

October 31, 2024

Messages in chronological order (times are shown in GMT -04:00)

partnerships

P PK <patrick@liquifi.finance>
Deel (Sales/Onboarding) Discussion: 8
00:11 - Daniel <d@liquifi.finance> 1 - Daniel <d@liquifi.finance>

> P PK <patrick@liquifi.finance>
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Also Quinn will be our only onboarding manager for
Deel.

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They are giving all this feedback to head of partner
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business elsewhere.

Hannah and Jenna are confused on the structure
and myself to try and resolve. Most likely beliz, her
1 - Daniel <d@liquifi.finance> 00:21 - Daniel <d@liquifi.finance>

> D Daniel <d@liquifi.finance>
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Alex wants to kill Toku more than see lots of revenue

we'll continue after tax class
:thankyou: 1 - PK <patrick@liquifi.finance>

> D Daniel <d@liquifi.finance>
More insight on WHY Alex cares (cc: @Robin Ji <robin@liquifi.finance>) if not only revenue

in no particular order, Jordyn said, in her view, knowing Alex and Deel, this is WHY alex cares (if not ONLY revenue)

He cares the most about Deel product, he is annoyed that there is clear known area for product improvement, no
actions

Partnerships is super important to him and the company
He views and sees Liquifi has 1 of a kind, unique
money (but in the established basic ways)

Liquifi's name and brand are growing, "every time
things about Liquifi"

She used the language: "feeling the heat from Toku"
Ego to win and to crush Toku

Connected to Product --> the pieces are in place to crush toku, Alex feels this partnership is a great opportunity for them
to crush Toku

He personally likes crypto

> D

Daniel <d@liquifi.finance>

10/31/2024, 3:35 PM

okay good chat just now, PK — this is net positive for the relationship (more clarity on their motivations)

Alex wants to kill Toku more than see lots of revenue

we'll continue after tax class

:thankyou: 1 - PK <patrick@liquifi.finance>

> D

Daniel <d@liquifi.finance>

10/31/2024, 6:19 PM

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“feeling the heat from Toku”

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— PX39 at —LQ_0032506

LiquiFi and Deel Aim to “Crush Toku”

November 22, 2024

D Daniel <d@liquifi.finance>
You're right — I know there's fat & duplicative work in here. I will cut a lot over the weekend, especially after Legal Sync.

11/22/2024, 8:50 PM

D Daniel <d@liquifi.finance>
I will 100% restate this whole section/farming after the meeting today

11/22/2024, 9:00 PM

I'm eager/curious for your

D Daniel <d@liquifi.finance>
yes definitely 🙌

Re: Toku Framing.

some points I'm considering

Killing and Crushing Toku

Generally, from my seat on

I want to “shred” Toku cre

And emphasize that Remote

THUS --> Toku is not an o

If they see Remote as the

PEO market

Toku is a better competitor

GB Google Drive (Bot)

<@UGTSXVOR1K7> con

D Daniel <d@liquifi.finance>

agreed, will take that app

D Daniel <d@liquifi.finance>
yes definitely 🙌

Re: Toku Framing.

some points I'm considering

Killing and Crushing Toku is Alex & PHB language

Killing and Crushing Toku is Alex & PHB language

Generally, from my seat on the ground, they seem more concerned with Toku for winning this market than Remote

I want to “shred” Toku credibility in the memo

And emphasize that Remote as the

THUS --> Toku is not an option for

If they see Remote as the competitor

PEO market

Toku is a better competitor reference to aim at

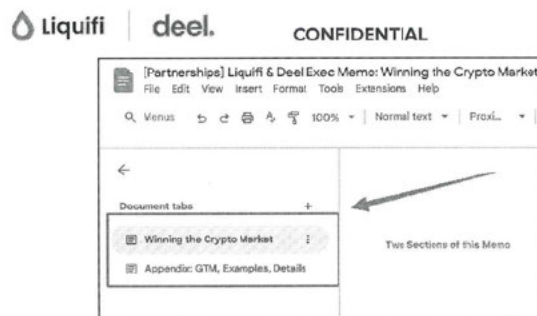
I want to “shred” Toku credibility in the memo

– PX105 at LQ_0009538

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“Crush Toku”

“Winning the Crypto Market” Presented to Deel Executives in “Q4 2024”



Liquifi & Deel Exec Memo: Winning the Crypto Market

Dear Alex, Philippe & Team—

We're thrilled by Robin and Philippe's recent discussions. As we see it, there's no better partner. Hearing of Deel's crypto origin story and the vision for the Deel token crystallized this. Deel serves cornerstone crypto (no-token) businesses (Binance, Coinbase, et al.) and has been at the forefront of pilot offerings like stablecoin payroll to contractors with Coinbase accounts.

- Toku has extreme turnover at all levels—for good reason. Their former COO lasted one month before fleeing to a leadership position at Remote.
 - Their General Counsel is now *our* General Counsel, Head of Sales, and legal ops—all the same. None could co-sign their practices.
- They take many risks given their small size but are aggressive on sales & product promises.
- They want to lock Deel and Remote out of the global payroll/EOR market for crypto.

Further details are best discussed live.

That means that Liquifi has every insight into how to kill them and maximize the value of integrating token distributions and EOR/HR/Payroll, as does Remote through Toku's former COO. Still, a16z and Dragonfly, *our Deel x Liquifi investors*, refer their crypto (tokenized) investments to Toku. This is unacceptable—Deel is the global leader in payroll/EOR and risks falling behind on market capture and industry branding.

LiquiFi x Snipes

October 2024



Robin Ji
LiquiFi CEO

- Q. [W]as Benjamin Snipes asked to compare LiquiFi's service to Toku?
- A. Benjamin was asked to improve token launch services, and as a part of that, it included a comparison of our service versus Toku
- ...
- Q. Did he provide the comparison in a meeting?
- A. I don't recall a specific meeting. The way I understood it is he has an understanding of how our service compares to Toku, but he never actually provided a formal output or document.
- Q. Did he provide an informal output?
- A. He may have. In conversations where he suggested ideas to consider how he would improve token launch services for LiquiFi, he might have suggested that, but I can't recall any specific words or conversations.

– Ji at 178:12-22, 179:6-19

- [KEY FOCUS] TLS Onboarding
Document your learnings and notes here: [Token Launch Services \(TLS\) New Hire ReadMe](#)
 - Goal is to make this useful for any new person that joins after you

PX82 at LQ_0000395

Snipes Was Responsible For Resolving Tax Calculations With Deel

- Snipes and Alcock Shared Confidential Toku Knowledge

October 2024

Meeting Purpose

Discuss and plan TLS maintenance features for LiquiFi's V2 offering, focusing on upsell opportunities and recurring revenue.

Key Takeaways

Maintenance features are crucial for upsells, reducing churn, and increasing revenue.

Key areas include ongoing comp strategy, employee performance review, and tax calculations.

V1 token comp reporting using existing data to be prioritized, with V2 expansion analysis.

Need to operationalize processes for ops team to handle maintenance tasks.

Topics

TLS V2 Maintenance Focus

Shift from pre-launch to post-launch maintenance features

Goal: Increase recurring revenue and provide upsell opportunities

Examples: OTC services, real-time tax calculations, ongoing comp strategy

Potential for significant revenue growth: e.g., from \$9K to \$48K+ per customer annually

Ben to structure a V1 token comp reporting process using existing data

Next Steps

Ben to structure a V1 token comp reporting process using existing data

Scope out employee performance review and grant agreement services with Robin

Investigate Pave integration for comprehensive comp data

Create operational guides for maintenance tasks

Resolve tax calculation issues with Deel

Continue development

Resolve tax calculation issues with De[e]l

Snipes' Notes from October 2024 Meeting
with Kim - PX83 at LQ_0035083-84

LiquiFi Asked for Snipes' Know-How

December 18, 2024

Patrick Kim <patrick@liquifi.finance>

12/18/2024, 4:25 PM

Kirk Alcock Ben Snipes edited this as I sent an invite for Friday 9am est for everyone to join in on the competitor analysis training. For context - We are doing competitor analysis and I thought it would be better if he gets additional insight and to fact check our existing competitor analysis sheet with you guys who probably have the most knowledge on Toku's section. I assigned y
done unless the current time d

**fact check our existing competitor analysis sheet
with you guys who probably have the most knowledge
on Toku's section**

Thank you!

👍 1 • Kirk Alcock <kirk@liquifi.finance>

Robin Ji <robin@liquifi.finance>

12/18/2024, 4:25 PM

I'd like to be included as optional please

:plus1: 1 • Daniel de Sa <d@liquifi.finance> :same: 1 • Daniel de Sa <d@liquifi.finance> 🗒 1 • Patrick Kim <patrick@liquifi.finance>

PX86 at LQ_0010313

Snipes Takes Toku's Trade Secrets

- **More than 25,000 Toku documents from Google Workspace in June/July 2024**
- **More than 500 Toku documents found on LiquiFi's systems**
- **More than 300 legal templates shared with LiquiFi**
- **Toku's customer relationship list shared with LiquiFi**
 - "2023_24 Conference Attendees Lists.xlsx"; "Ben Snipes – Liquifi Contacts List.xlsx"; "LiquiFi Contacts Lists.xlsx"; "BGS LiquiFi Contacts List" (PX62, PX63, PX89, PX90, PX91, PX92)
- **Toku's prospective customer list provided on request by Robin Ji and Patrick Kim**
 - "Ops List"; "Prospect Idea List" (PX57, PX58, PX59, PX60, PX61)
- **Toku's list of legal service providers and advice provided to LiquiFi during Snipes' onboarding**
 - "Global TGA Legal Contacts for LiquiFi.xlsx" (PX22, PX23, PX82)
- **Toku's know-how, including regarding Tax Engine and Token Grant Administration**

Snipes Downloads 25,000 Toku Documents

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

WORKCO, INC. d/b/a TOKU,)
)
Plaintiff,)
)
v.) C.A. No. 2024-1334-JTL
)
LIQUIFI, INC. and BENJAMIN)
SNIPES,)
)
Defendants.)

DECLARATION OF MITCHELL GREEN

I, Mitchell Green, do
personal knowledge of the m

1. I am an adult res
making this declaration b
experience.

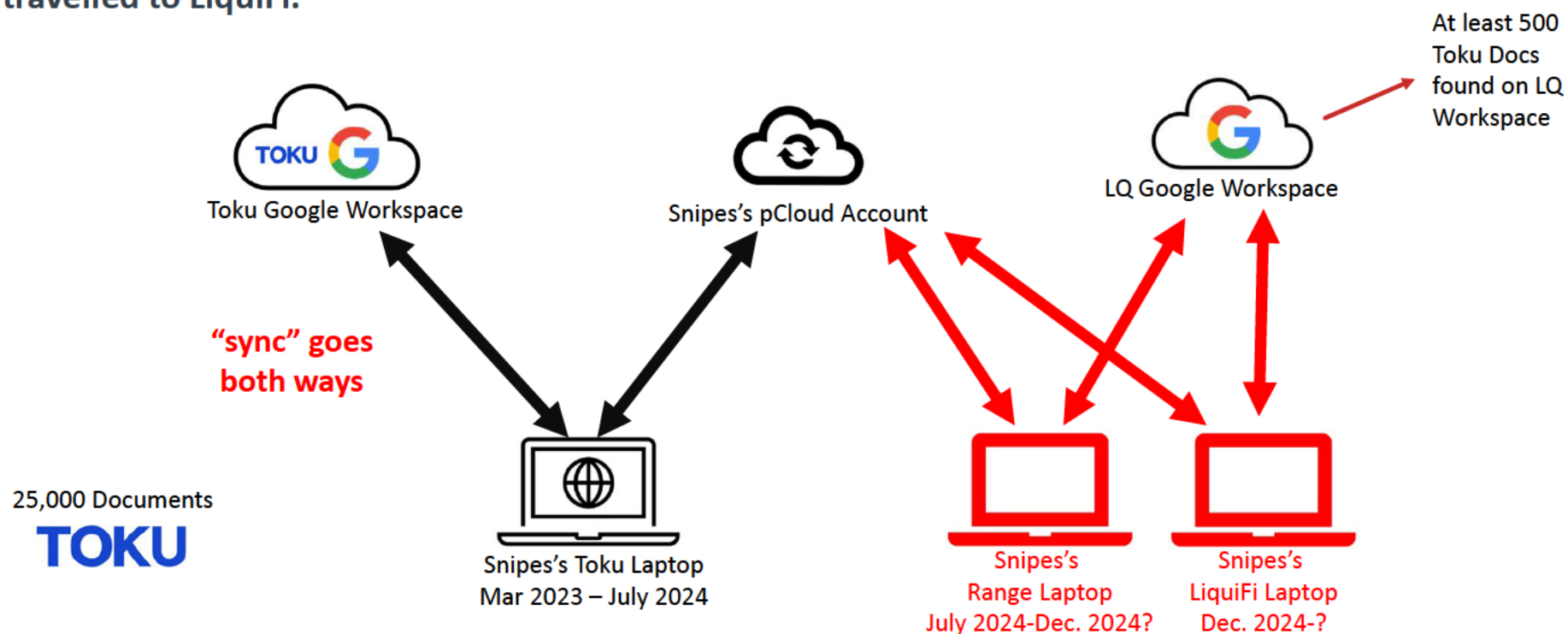
2. I work for Stroz
Incident Response Group. S
specializes in digital forensi
matters.

3. I hold a bachel
Champlain College in Burling
digital forensic preservatio

c. On June 28, 29 & 30, 2024 (Friday, Saturday, Sunday respectively in GMT-7 time zone), Ben Snipes' account performed 26,084 file download events from various Google Drive folders. These 26,084 file download events consist of 25,060 distinct documents based on Google Drive Document ID identifiers referenced.

Snipes' "Sync" Explained

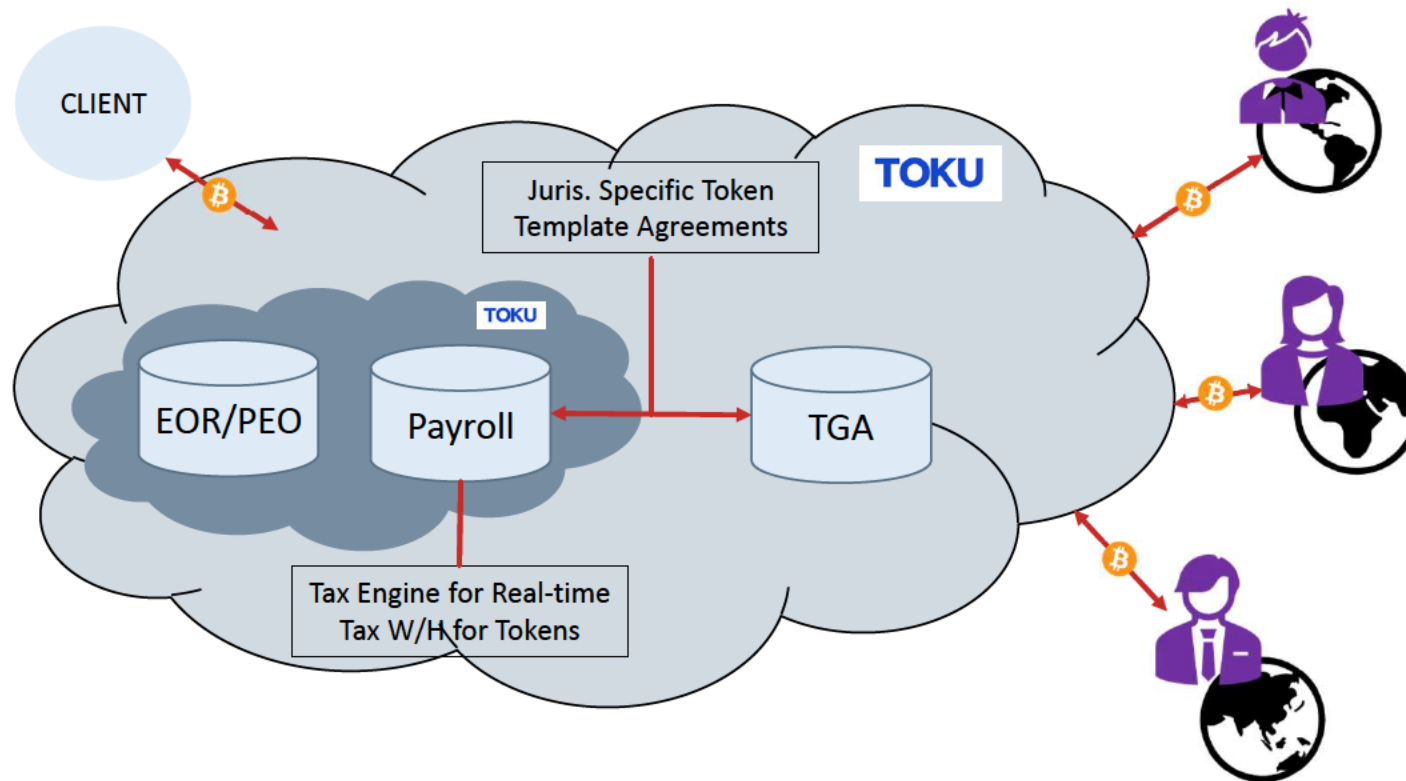
Snipes effectively admits he downloaded by arguing he merely "synced" with Toku's system. His use of pCloud to "sync" with his various work computers is the path by which Toku documents travelled to LiquiFi.



Toku's Business

TOKU

Mission: “simplify token compensation, while prioritizing a flawless user experience, world-class solutions, and adherence to regulatory compliance.”



Toku's Template Agreements are Valuable



Dominika Stobiecka
Toku Co-founder
& Chief Product Officer



Ken O'Friel
Toku Co-founder & CEO



Michael Carter
Toku Chairman

[REDACTED]

– Stobiecka at 112:23, 115:1-4

7. Toku invested [REDACTED] and thousands of employee hours to build its platform. Since its founding, we have successfully expanded the global reach of Toku's compliance solutions, covering nearly 100 jurisdictions around the globe in which its crypto customers' employees work.

O'Friel Aff. ¶ 7

“we then worked for two or three years to go build a database and network of all those lawyers and talk to many. . . .

if these templates were shared with our competitors, they could then use them in order to compete with us directly.”

– Carter at 218:12-15, 23-25

Web of Template Agreements Are Valuable

March 28, 2024

Robin Ji <robin@liquifi.finance>

3/28/2024, 2:15 AM

it feels very expensive to have this all ready by country if each one is gonna be 5K in just legal research alone but its

. . .

Robin Ji <robin@liquifi.finance>

3/28/2024, 2:16 AM

i dont like it man

Robin Ji <robin@liquifi.finance>

3/28/2024, 2:16 AM

i would rather rely on the EOR partner to handle the MSA, use their resources

Robin Ji <robin@liquifi.finance>

3/28/2024, 2:16 AM

dont target clients that want liquifi to be the issuer

PK <patrick@liquifi.finance>

3/28/2024, 2:16 AM

Yea, I think us being able to do the tax withholding itself is good enough for now

PK <patrick@liquifi.finance>

3/28/2024, 2:17 AM

but when we do raise funding I do want to pour resources into per country deep dive

Robin Ji <robin@liquifi.finance>

3/28/2024, 2:17 AM

yep agree

Ji Ex. 41 (LQ_0031008)

Snipes Shares Template Agreements

October 27, 2024

Ben <ben@liquifi.finance>

10/27/2024, 7:18 PM

@PK <patrick@liquifi.finance> Seemed a little strange on the call with Valora that we didn't have a law firm reference list to share for small medium large. Was that intentional or is that something you think we should put together and maintain? We can also segment it by need whether token launch or token comp contacts.

Ben <ben@liquifi.finance>

10/27/2024, 7:30 PM

@PK <patrick@liquifi.finance> here btw is a folder of all the template TGA agreements:
[https://drive.google.com/drive/folders/1rJ8Phzub_q6JQos1zCuVj1i-69IKJ7Yb?usp=drive_link]

:thankyou: 1 • PK <patrick@liquifi.finance>

here btw is folder of all the template
TGA agreements:

PX97 at LQ_0009691

Snipes Shares Template Agreements

November 1, 2024

Week 1 – 11/4 - 11/8

- Provide legal agreement templates (for educational purposes) and execute/issue their legal agreements for signing
 - Outputs:
 - Library of templates
 - Guide on how to use this template for anyone on the Liquifi team
 - Tasks:

PX47 at LQ_0030713

- **83b election templates**

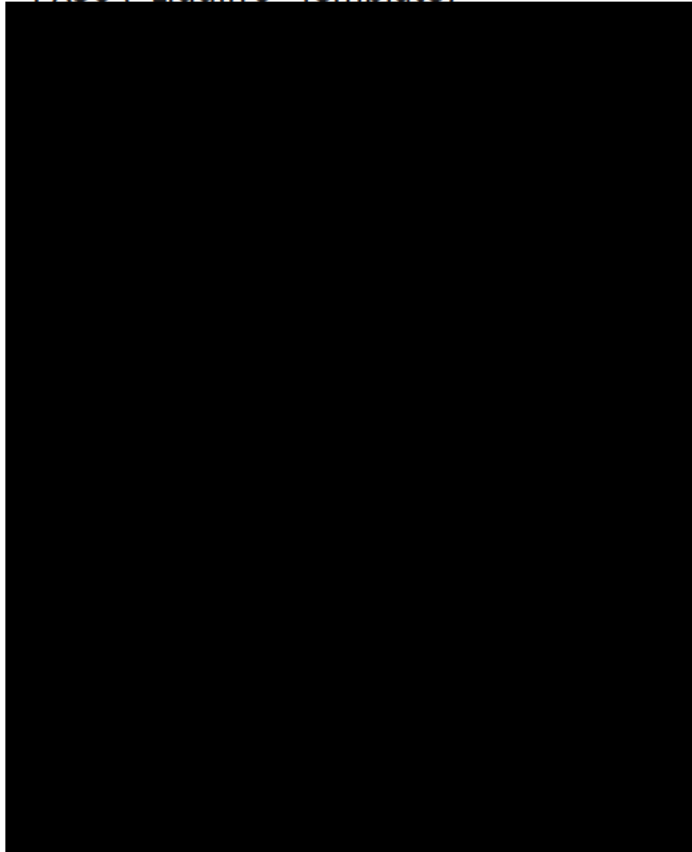
Liquifi's Internal Assignment Tracker - PX48 at Row 6850

ID	Team	Title	Description	Status	Estimate	Priority	Project ID	Project	Creator	Assignee	Labels
GTM-88	GTM (Sales, L&A)	Legal Templates	**Provide legal agreement templates (for educational purposes) and execute/issue their legal agreements for signing** **Outputs:** **Library of templates (current templates):** https://drive.google.com/drive/folders/1PFp1abYSki4UNMhQJM6SjaHPLH **Guide on how to use this template for anyone on the Liquifi team** https://docs.google.com/document/d/1ZyVbVXxGh5aCiFXFI8Z17H6c/edit?tab=t.0 **Tasks:** **[@Ben] Get templates for RTU, RTA, TPA, TIPs, Token Options for US 83b election templates** **Create a legend** **[@Ben] Guide on how to use this guide (teach Ops, Marketing, etc)** **How you can use it** **What you can't do** OUTPUT: https://docs.google.com/document/d/1ZyVbVXxGh5aCiFXFI8Z17H6c/edit?tab=t.0 https://docs.google.com/document/d/1ZyVbVXxGh5aCiFXFI8Z17H6c/edit?tab=t.0	Done		High	a87070ee-967e-TLS V2		ben@liquifi.finance	ben@liquifi.finance	2/ TLS Launch

[@Ben] Get templates for RTU, RTA, TPA, TIPs, Token Options for US 83b election templates

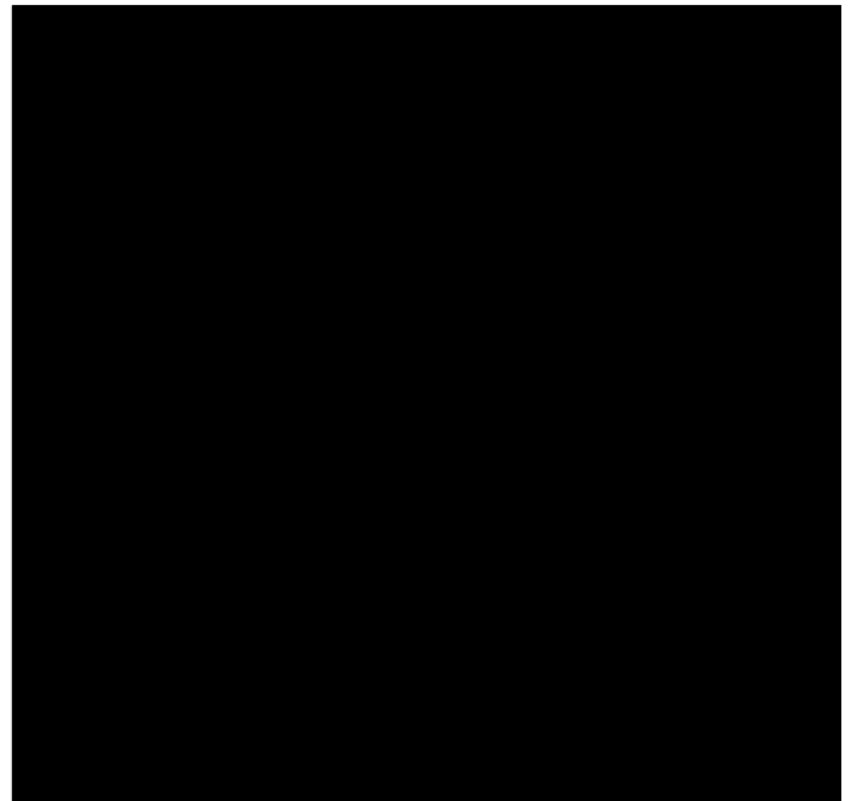
LiquiFi Uses Toku's Template Agreements

PX52: Redline of PX51 (Toku's Template) and
PX50 ("Liquifi's" Template)



LiquiFi Template over Toku Original

PX55: Redline of PX54 (Toku's Template) and
PX53 ("Liquifi's" Template)



LiquiFi Template over Toku Original

Toku's Template Agreements on LiquiFi's Google Workspace

- Over 300 Template Agreements

Japan

Indonesia

Spain

Switzerland

	Title	UploadLocation	DateUploaded
289	Japan - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:49.000Z
290	Indonesia - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:49.000Z
291	Honduras - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:49.000Z
292	Slovenia - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:49.000Z
293	Spain - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:50.000Z
294	Croatia - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:50.000Z
295	Turkey - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:50.000Z
296	RTU Agreement (non-US with no vested tokens at TGE, execs).docx	Liquifi	2024-11-07T02:24:51.000Z
297	Singapore - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:51.000Z
298	Switzerland - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:51.000Z
299	Denmark - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:51.000Z
300	United Kingdom - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:52.000Z
301	Poland - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:52.000Z
302	Copy of General - Restricted Token Unit Agreement - Template - Clean.gdoc	Liquifi	2024-11-07T02:24:52.000Z
303	General - Restricted Token Unit Agreement - Template - Clean.gdoc	Liquifi	2024-11-07T02:24:52.000Z
304	* General - Restricted Token Unit Agreement - Template - Clean.gdoc	Liquifi	2024-11-07T02:24:52.000Z
305	Argentina - Restricted Token Unit Agreement - Template - Clean.gdoc	Liquifi	2024-11-07T02:24:52.000Z
306	RTU Agreement (foundation, non-US with vested tokens at TGE, to be used with TPA,	Liquifi	2024-11-07T02:24:53.000Z
307	CANADA - Restricted Token Unit Award Agreement - Template.docx	Liquifi	2024-11-07T02:24:53.000Z
308	Ireland - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:53.000Z
309	Netherlands - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:53.000Z
310	France - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:53.000Z
311	Slovakia - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:53.000Z
312	SLOVENIA - Restricted Token Unit Award Agreement - Template.docx	Liquifi	2024-11-07T02:24:54.000Z
313	* (Fake Redlines) General - Restricted Token Unit Agreement - Template - Clean.gdoc	Liquifi	2024-11-07T02:24:54.000Z
314	FRANCE - Restricted Token Unit Award Agreement - Template.docx	Liquifi	2024-11-07T02:24:54.000Z
315	United Arab Emirates - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:55.000Z
316	India - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:55.000Z
317	Germany - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:55.000Z
318	Portugal - Restricted Token Unit Agreement - Template - Clean.docx	Liquifi	2024-11-07T02:24:55.000Z
319	ITALY - Restricted Token Unit Award Agreement - Template.docx	Liquifi	2024-11-07T02:24:55.000Z

PX56

Toku's Customer Relationship List is Valuable



Ken O'Friel
Toku Co-founder & CEO

"we spent a ton of time, a ton of resources, cultivating these leads and building these relationships"

– O'Friel at 200:12-23



Dominika Stobiecka
Toku Co-founder
& Chief Product Officer

"some of those contact details are extremely valuable. And the information about those people is extremely valuable, . . . gained over time, over many conversations, after attending conferences, sponsoring events, flying to meet people"

– Stobiecka at 170:1-3; 170:16-23

PX62, PX63, PX89, PX90, PX91, PX92

Snipes Converts Toku Customer Relationship List As His Own

5	<div>“2023_24 Conference Attendees Lists.xlsx”</div> <div>PX62</div>
6	
7	
8	
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10	
11	
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13	
14	
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16	
17	
18	
19	
20	
21	

Snipes replaces the "MC Notes" column with a "LiquiFi notes" column and adds "Industry" tab

1	Name	Liquifi notes			
2					
3					
4					
5					
6					
7					
8					
9					
10					
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20					
21					
22					

“Ben Snipes – Liquifi Contacts List.xlsx”

PX63

Snipes Shares Customer Relationship List

November 21, 2024

Short Message Report

Conversations: 1	Participants: 10
Total Messages: 31	Date Range: 11/21/2024

Outline of Conversations



partnerships - 2024-11-21T16:24:37 - 2024-11-21 • 31 messages on 11/21/2024 • Ben Snipes <ben@liquifi.finance> • Daniel Kwong <daniel@liquifi.finance> • Daniel de Sa <d@liquifi.finance> • David Wistocki <david@liquifi.finance> • Jackie Chow <jackie@liquifi.finance> • Linear • Mitch Turowski <mitch@liquifi.finance> • Oliver Tang <oliver@liquifi.finance> • Patrick Kim <patrick@liquifi.finance> • Robin Ji <robin@liquifi.finance>

- B **Ben Snipes <ben@liquifi.finance>** 11/21/2024, 11:51 PM
Here for example is the list of contacts I walked away with from the last TechGC conference in Santa Barbara.
<<https://docs.google.com/spreadsheets/d/1RzEJaW0i-3mWUldgJZ2nsPgGbdsBrOWB/edit?gid=322552411#gid=322552411>>
- Attachment: 2023_24 Conference Attendees Lists.xlsx (131 bytes)*
- R **Robin Ji <robin@liquifi.finance>** 11/21/2024, 11:56 PM
cool sounds worth it
- R **Robin Ji <robin@liquifi.finance>** 11/21/2024, 11:56 PM
let me know cost

PX91

Snipes Shares Toku's Prospective Customer Lists

October 30, 2024

Organizer: Patrick Kim : patrick@liquifi.finance
Subject: Ben x Pk sync on prospect list
Location:
Start Time: 2024-10-30T10:30:00-07:00
End Time: 2024-10-30T11:00:00-07:00
Attendees: Patrick Kim : patrick@liquifi.finance, Benjamin Snipes : ben@liquifi.finance

PX57

P

Patrick Kim

• 12:15 AM, Oct 30 (EDT)

New

Hey Ben is this list of Toku clients or is this a list of projects you wanted to go after at Toku? I assume the former as I recognize some names here that I know for sure use Toku when I was there but wanted to confirm

Open

PX58

PX59

LiquiFi CEO Asks for Prospective Customer List

November 26, 2024

Robin Ji <robin@liquifi.finance>

11/26/2024, 1:26 PM

do you guys happen to have a list of toku top clients? An investor is asking which customers they have vs us to answer market share question.

Asking another way, do you guys know market share of Liquifi vs Toku?

PX60

PX61

Toku's List of Legal Service Providers and Legal Advice

- List of Toku's legal service providers and services they provided
- Built with time, money, experience to vet these consultants
- [REDACTED]
- Needed for Tax Engine
- Document reflects legal advice (*see, e.g.*, [REDACTED])

	A	B	C	D	E	F	G	K	L	M	N	O
1												
2												
3												
4												
5												
6												
7												
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9												
10												
11												
12												
13												
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19												
20												

PX22, TOKU0199217

Snipes Takes Toku's List of Legal Service Providers and Legal Advice

September 11, 2024

Hey can you do me a favor? I am helping a crypto company go into India and need the [REDACTED]
[REDACTED] - nothing confidential to Toku or its clients, just the [REDACTED] Can you get me the file I created
called, "Toku - TGA Legal Product - Tracker" in the Legal folder that has [REDACTED]

Receipts • Kirk Alcock <BB66D8A7-82FE-4542-9F5F-A6C6411171A4> [R: 9/11/2024, 6:51 PM]

Kirk Alcock <BB66D8A7-82FE-4542-9F5F-A6C6411171A4>

► 9/11/2024, 6:51 PM

yep! just afk right now but once i return i absolutely will 😊

PX64

Kirk Alcock <BB66D8A7-82FE-4542-9F5F-A6C6411171A4>

► 9/12/2024,

Attachment: Toku - TGA Legal Product - Tracker.xlsx

Kirk Alcock <BB66D8A7-82FE-4542-9F5F-A6C6411171A4>

► 9/12/2024,

BGS <2126990844>

◄ 9/12/2024,

Thank you Kirk. I had an interview with a crypto company for the GC role this morning. If I get it I'll hire you!

Receipts • Kirk Alcock <BB66D8A7-82FE-4542-9F5F-A6C6411171A4> [R: 9/12/2024, 1:25 PM]

PX65

Snipes Shares with LiquiFi List of Legal Service Providers and Legal Advice

October 2024

Snipes' New Hire Onboarding

Onboarding Focus:

Building enough ammunition for our content marketing strategy so that we can get back to regular cadence of posting via social media + sharing resources with potential buyers/clients/partners + creating a newsletter for our customers

- Working with Sales closely to understand and drive more deals across premium TLS packages + get early-stage token deals
 - Continue to partner with Sales on TLS tasks
 - Per country tax analysis
 - Per employee salary/equity conversion to token allocations
 - Employment law created to token compensation
- Per country amendment advice on RTA or TPA agreements
- Local counsel sourcing on TPA/RTA drafting (if we can weigh in on securities related advice, that would be great)

Global TGA Legal Contacts for Liquifi.xlsx

PX82 at LQ_0000397

Toku's Tax Engine

- Enables real-time calculations
- Essential to real-time tax withholding crypto tokens
- Reflects input of lawyers and tax professionals for 100+ jurisdictions
- “Spreadsheet”: powerful tool to do tax calculations
- Downloaded for at least 20 countries by Snipes in June 2024 (among 25,000)

TB at 6-7, 19-20

Toku's Tax Engine



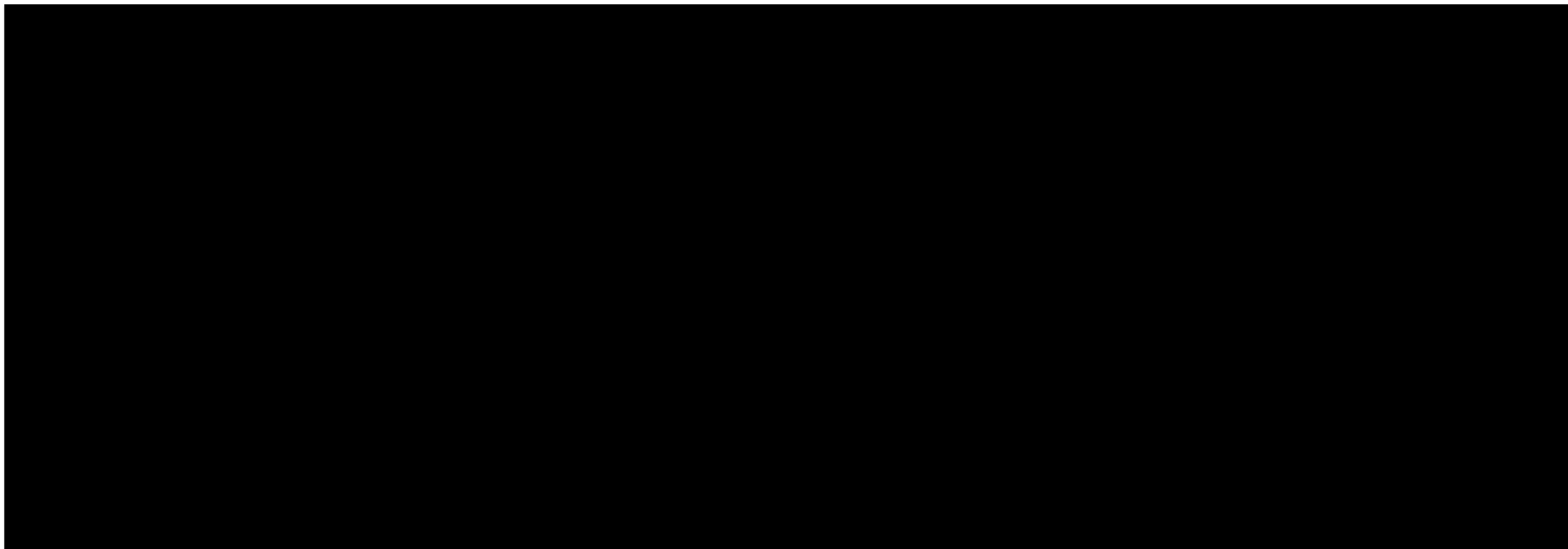
[Redacted text]

[Redacted text]

– PX4 at TOKU0000297
(Toku's Tax Engine MVP Spec Sheet).

[Redacted text]

Toku's Tax Engine



– TOKU0116892
(Toku's Tax Engine MVP Spec Sheet).

LiquiFi Hires Snipes to Gain Critical Toku Intel re: Tax Engine

October 3, 2024

Liquifi x Ben Snipes Prompt
October 3, 2024

In your first 30 days, how would you approach the goal of getting as many potential customers into the door for our Token Launch Services business?

- 1) By identifying what projects really need in the launch process, I would communicate. I presume Liquifi already understands the market and can bring a bit together to confirm and align.
- 2) Based on (1), review, develop and revise all the GTM content for Token Launch Services to speak to projects' most pressing fears and needs. I see content on the site that I think could use some refinement for launches.
- 3) Based on (2), define the offering in the context of other services (i.e. legal, accounting/tax, valuation, CFO, HR, etc.) and the launch process between all of them.
- 4) Based on (1) - (3), create a best estimate of the value of the services Liquifi can bring to the process as much as possible. Highlight the value (i.e. prospect theory) by not using Liquifi? Develop specific metrics that quantified gap.
- 5) Produce a tight one page primer on the token launch services.
- 6) [REDACTED]

4. How would you think about up-leveling our product offering for offering tax calculations on RTA, RTUs? What infrastructure do we need to set this up?

[REDACTED]

but I'm wondering why Liquifi doesn't just partner with Deel to get this information, who has it all already?

– PX44 at LQ_0001041-42
(Liquifi Prompt).

Snipes Provided The “Insights” and “Blueprints”

PK <patrick@liquifi.finance>
Ben hates Ken to the max.

P	DM <patrick@liquifi.finance> Ben is making it his mission to shun Toku out of the GC circle connections there.	9/26/2024, 3:48 AM
R	Robin Ji <robin@liquifi.finance> Oh man that's nuts. Sounds like a good ally	9/26/2024, 4:04 AM
R	Robin Ji <robin@liquifi.finance> Like REALLY good ally	9/26/2024, 4:04 AM
R	Robin Ji <robin@liquifi.finance> Spiteful ex-competitor	9/26/2024, 4:04 AM

PX42

7:13 - Daniel de Sa (liquifi.finance)

I do plan to, I need to find the right strategy, basically, at some point, We have the former general counsel of Tokyo alignment and the will to crush Tokyo, we have it in a path here. Get you together.

7:46 - Benjamin Snipes (liquifi.finance)
Yeah. Yeah.

PX106

> B Ben <ben@liquifi.finance> 11/6/2024, 7:09 PM

Redacted for Privilege

PX41

> Daniel <d@liquifi.finance> 11/6/2024, 7:10 PM

also just sharing ideas. I had been thinking along the lines of

Because we are delivering so much value, market insight, the blueprints to kill Toku

> D Daniel <d@liquifi.finance>
The Anti-Toku Army rides at day

11/8/2024, 12:01 PM

The Anti-Toku Army rides at dawn

34 PM

PX108

Ben <ben@liquifi.finance> [redacted] 34 PM
(https://i.giphy.com/media/v1.Y2lkPTc5MGI3NjExOW55N2cyejlxZ2FzdHJpcGxzNnJYnk1am1paj[...].JcD12MV9pbnRlcm5hbF9naWZfYnlfYWQmY3Q9Zw/13ft0RqUNahjMs/giphy.gif)(https://i.giphy.com/media/v1.Y2lkPTc5MGI3NjExOW55N2cyejlxZ2FzdHJpcGxzNnJYnk1am1pajFmdGV5eWdyMmVsZiZlZD12MV9pbnRlcm5hbF9naWZfYnlfYWQmY3Q9Zw/13ft0

LiquiFi Shares Disparaging Competitor Analysis

Disparagement sent to VC firms with keys to the crypto industry

- Sep. 9, 2024: LiquiFi sends Competitor Analysis to Dragonfly (PX118)
- Sep. 11, 2024: LiquiFi sends Competitor Analysis to IOSG (PX119)
- Dec. 6, 2024: LiquiFi sends Competitor Analysis to 1kx (PX135)
- Dec. 20, 2024: LiquiFi sends Competitor Analysis to Framework Ventures (PX137)



Robin Ji
LiquiFi CEO

43. In materials shared with a limited number of venture capital funds in or around September 2024, we noted our belief that Toku lacked the capability to distribute tokens through Anchorage Digital, a digital asset custodian.

– Ji Aff. ¶ 43

LiquiFi Sends Competitor Analysis to Venture Capital Firms

September 9, 2024

From: Daniel de Sa [d@liquifi.finance]
on behalf of Daniel de Sa <d@liquifi.finance> [d@liquifi.finance]
Sent: 9/9/2024 10:36:39 PM
To: Casey Taylor [casey@dragonfly.xyz]; Zack Skelly [zack@dragonflycapitalpartners.com]; Chris Ahsing [chris@dragonflycapitalpartners.com]
CC: Kyle Croyle [kyle.croyle@deel.com] **Kyle Croyle [kyle.croyle@deel.com]**
BCC: Patrick Kim [patrick@liquifi.finance]
Subject: Liquifi x Deel: Partnership, Product, and Collateral Updates
Attachments: Liquifi+Deel_EOR+Vesting+Compliance - Partner Pricing.pdf; Liquifi vs. Vesting Competitors (Toku + Pulley).pdf

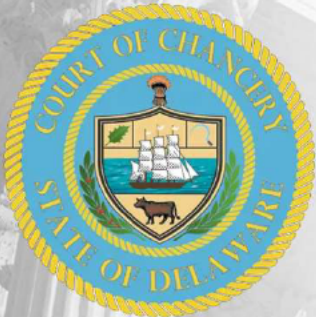
2. Liquifi vs. Toku & Pulley – a deep dive comparison, to be shared internally and as a founder resource.

– PX118 at LQ_0005549

Toku Meets Its Burden For A Preliminary Injunction

- Toku's Claims Are Likely to Succeed on Merits
 - Breach of Contract
 - DUTSA Claim
 - Breach of Fiduciary Duty
 - Aiding and Abetting Breach of Fiduciary Duty
 - Deceptive Trade Practices Act
 - Tortious Interference and Unfair Competition
- **Toku Will be Irreparably Harmed Absent Injunctive Relief**
- Balance of Hardships Weigh In Toku's Favor

Toku Will be Irreparably Harmed Absent Injunctive Relief



Irreparable injury exists when [damages] would involve speculation, such as harmed reputation, goodwill, customer relationships, and employee morale."

*— Mountain W. Series of Lockton Cos., LLC v. Alliant Ins. Servs., Inc., 2019 WL 2536104, at *20 (Del. Ch. June 20, 2019) (internal quotation marks omitted)*

" '[W]here an employee has agreed ... that he will not divulge or disclose to his employer's detriment any trade secrets or other confidential information which he has acquired in the course of his employment, the employer is entitled to an injunction against a threatened use or disclosure of such confidential information.' "

*— Cabela's LLC v. Wellman, No. CV 2018-0607-TMR, 2018 WL 5309954, at *13 (Del. Ch. Oct. 26, 2018)*

Toku Will be Irreparably Harmed Absent Injunctive Relief



“That is precisely why our law has consistently found a threat of irreparable injury in circumstances when a covenant not to compete is breached.”

*– Hough Assocs., Inc. v. Hill, 2007 WL 148751, at *18 (Del. Ch. Jan. 17, 2007)*

“Delaware courts have ‘consistently found a threat of irreparable injury in circumstances when a covenant not to compete is breached,’ and ‘use injunctive relief as the principal tool of enforcing covenants not to compete.’ ”

*– Concord Steel, Inc. v. Wilmington Steel Processing Co., 2008 WL 902406, at *10 (Del. Ch. Apr. 3, 2008)*

“Such stipulations as to irreparable harm have been held to be sufficient to establish that element in order to issue preliminary injunctive relief.”

*– Newell Rubbermaid Inc. v. Storm, 2014 WL 1266827, at *11 (Del. Ch. Mar. 27, 2014)*

Toku Will be Irreparably Harmed Absent Injunctive Relief

1. Snipes' contractual acknowledgement of irreparable harm and injunctive relief

- Snipes agreed in both the CIIAA and NDA that violations would cause irreparable harm
- Snipes agreed in both the CIIAA and NDA that injunctive relief would be appropriate remedy

f. **Remedies.** I acknowledge that violation of this Agreement by me may cause the Company irreparable harm, and therefore I agree that the Company will be entitled to seek extraordinary relief in court, including, but not limited to, temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security (or, where such a bond or security is required, that a \$1,000 bond will be adequate), in addition to and without prejudice to any other rights or remedies that the Company may have for a breach of this Agreement.

– PX14 (Snipes CIIAA) § 11.f

13. **Remedies.** Each party's obligations set forth in this Agreement are necessary and reasonable in order to protect Discloser and its business. Due to the unique nature of Discloser's Confidential Information, monetary damages may be inadequate to compensate Discloser for any breach by Recipient of its covenants and agreements set forth in this Agreement. Accordingly, the parties each agree and acknowledge that any such violation or threatened violation may cause irreparable injury to Discloser and, in addition to any other remedies that may be available, in law, in equity or otherwise,

Discloser shall be entitled to obtain injunctive relief against the threatened breach of this Agreement or the continuation of any such breach by Recipient.

– PX15 (Snipes NDA) § 13

Toku Will be Irreparably Harmed Absent Injunctive Relief

2. The disclosure and use of Toku's confidential information and trade secrets

- Snipes shared at least **500** confidential Toku documents, including Toku's trade secrets, with LiquiFi
- LiquiFi developed working integration with Deel using Toku's information, that is intended to "crush" Toku
- LiquiFi **still** has access to Toku documents with no technical restrictions

Toku Will be Irreparably Harmed Absent Injunctive Relief

3. Toku's loss of customer relationships and goodwill

- LiquiFi's false statements have already cost Toku one of its biggest customers and at least a dozen prospective customers
- There is clear risk of further loss of customers without injunctive relief
- LiquiFi's statements disparaged Toku's products and services, harming Toku's reputation in the market
- LiquiFi—with Deel—has launched a copycat of Toku's product, posing an existential threat to Toku's business
 - Deel and LiquiFi's explicitly stated goal to “crush” or “kill” Toku
 - LiquiFi must be stopped from targeting Toku's customers using stolen information

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Balance of Hardships Weigh In Toku's Favor



“[T]he Court must balance the plaintiff's need for protection against any harm that can reasonably be expected to befall the defendants if the injunction is granted. When the former outweighs the latter, then the injunction should issue.”

– In re Digex S'holders Litig., 789 A.2d 1176, 1188 (Del. Ch. 2000).

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