



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD OF 2021

IN THE MATTER OF SECTION 124 OF THE COMPANIES ACT (2021 REVISION)

AND

IN THE MATTER OF WIRELINE DEVELOPMENT FUND LTD (IN VOLUNTARY LIQUIDATION)

PETITION

To: The Grand Court of the Cayman Islands (the "**Court**")

The humble petition of Graham F Robinson of Crowe Cayman Ltd, 94 Solaris Avenue, Camana Bay, Grand Cayman, Cayman Islands (the "**Petitioner**"), shows that:

Particulars of Incorporation

1. Wireline Development Fund Ltd (in Voluntary Liquidation) (the "**Company**") is an exempted company with limited liability incorporated on 25 September 2017 and organised pursuant to the Companies Act (2021 Revision) (the "**Act**"). The registration number of the Company issued by the Registrar of Companies (the "**ROC**") is 327430.
2. The registered office of the Company is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.
3. The Memorandum and Articles of Association (the "**Articles**") provided to the Petitioners by the Company were adopted by special resolution on 25 September 2017. The objects for which the Company was established are unrestricted.

4. The Company has an authorised share capital of US\$50,000 divided into 50,000 non-voting participating redeemable shares of a nominal or par value of US\$1.00 each.

The Business of the Company

5. The Company is a wholly-owned subsidiary of Wireline, Inc ("**Wireline**"). Wireline was an early-stage project focused on the development of a decentralized, blockchain based platform for "microservices" applications. Wireline offered and sold securities in the form of investment contracts when it offered and sold digital assets through simple agreements for future tokens ("**SAFTs**"). The SAFTs provided that upon the public release of Wireline's marketplace, Wireline would distribute those digital tokens to investors, who were counterparties to the SAFTs.
6. The Company was created for the purpose of distributing the Wireline tokens and encouraging the utilisation of tokens in the Wireline platform or marketplace.
7. The Company entered voluntary liquidation after an Administrative Order by the United States Securities and Exchange Commission (the "**SEC**") imposed a fine of US\$650,000 on Wireline for an unregistered securities offering and alleged fraud involving the Company.
8. The SEC concluded Wireline made materially false and misleading statements connection with the offer and sale of digital asset securities through SAFTs that were not registered pursuant to the federal securities laws and did not qualify for an exemption. The SEC found Wireline violated the antifraud provisions of sections 17(a)(2) and 17(a)(3) of the United States Securities Act of 1933 (the "**Securities Act**"), and the registration provisions of sections 5(a) and 5(c) of the Securities Act.

Commencement of the Voluntary Liquidation of the Company

9. Section 116(c) of the Act provides as follows:

"A company incorporated and registered under this Act [...] may be wound up voluntarily –

[...]

(c) if the company resolves by special resolution that it be wound up voluntarily;"

10. A "special resolution" is defined in Article 1.1 of the Articles as having:

"... the same meaning as in the [Act], and includes a unanimous written resolution"

11. The Act defines special resolution at section 60(1) as follows:

"A resolution is a special resolution when –

a) It has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that any such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution; or

b) if so authorised by its articles of association, it has been approved in writing by all of the members entitled to vote at a general meeting of the company in one or

more instruments each signed by one or more of the members aforesaid, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed."

12. On 29 March 2021:

- a. in its capacity as the sole registered shareholder, Wireline executed a written special resolution that resolved, *inter alia*, that:
 - i. the Company be wound up voluntarily; and
 - ii. the Petitioner be appointed as voluntary liquidator of the Company.

13. In the circumstances:

- a. the Company duly resolved by special resolution that it be wound up voluntarily pursuant to section 116(c) of the Act; and
- b. the voluntary winding up of the Company is deemed to have commenced on 29 March 2021 pursuant to section 117(1)(a) of the Act.

14. The statutory notice of winding up and the Petitioner's consent to act as the voluntary liquidator of the Company were filed with the ROC on 26 April 2021 in accordance with sections 123(1)(a) and 123(1)(b) of the Act and Order 13, rules 2(a) and 2(b) of The Companies Winding Up Rules, 2018 (the "**CWR**"). Accordingly, the Petitioner's appointment took effect from 26 April 2021 (that is, upon the filing of the consents to act with the ROC) pursuant to section 119(3) of the Act and Order 13, rule 3(2) of the CWR.

Directors

15. On the date the voluntary liquidation of the Company commenced, the particulars of the Company's directors were as follows:
- a. Lucas Geiger of 18 W 70 ST 9C, New York, New York, 10023-4607, United States of America; and
 - b. Rich Burdon of 219 Washington Ave, Brooklyn, New York, 11205, United States of America.

Declaration of Solvency

16. Within 28 days of the commencement of the liquidation, the Petitioner did not receive a sworn declaration of solvency from either of the Company's directors in the form required by section 124(2) of the Act and Order 14, rule 1 of the CWR (a "**Declaration of Solvency**"), nor, to the best of the knowledge of the Petitioner, have any of the Company's directors filed, or intend to file, an executed Declaration of Solvency with the ROC in accordance with section 123(1)(c) of the Act and Order 13, rule 2(2) of the CWR.

Requirement for Court Supervision

17. The Petitioners are required under section 124(1) of the Act to present a petition seeking orders that the winding up of the Company continue under the supervision of the Court if a Declaration of Solvency executed by all of the Company's directors is not provided within 28 days of the commencement of the voluntary liquidation.
18. Accordingly, in the circumstances, the Petitioner now seeks that the winding up of the Company continue under the supervision of the Court.

Consent to Appointment as Joint Official Liquidators

19. The Petitioner is a qualified insolvency practitioner (as that term is defined in section 89 of the Act) and consents to his appointment as official liquidator of the Company.

Your Petitioners therefore humbly pray that:

1. The liquidation of the Company continue under the supervision of the Court pursuant to section 124(1) of the Act.
2. Graham F Robinson of Crowe Cayman Ltd, 94 Solaris Avenue, Camana Bay, Grand Cayman be appointed as the official liquidator of the Company (the "**OL**").
3. The OL shall not be required to give security for his appointment.
4. The OL shall be authorised to do any acts or things considered by him to be necessary or desirable in connection with the dissolution of the Company and the winding up of its affairs, including but not limited to obtaining recognition of the OL and/or his appointment and/or powers in any other relevant jurisdiction and to make applications to the courts of such jurisdiction for that purpose.
5. In addition to the powers set out in Part II of the Third Schedule of the Act, the OL shall be authorised to exercise all powers set out in Part I of the Third Schedule to the Act and section 110(2) thereof without the further sanction of this Honourable Court.
6. Without limitation to the generality of the foregoing, the OL shall be authorised and be granted leave to:

- a. bring or defend any action of other legal proceeding in the name and on behalf of the Company and to engage attorneys for such purposes in order to secure the assets of the Company; and
 - b. take all action required consistent with applicable law to carry on the business of the Company so far as may be necessary for its beneficial winding up.
7. No disposition of the Company's property by or with the authority of the OL in carrying out his duties and functions and the exercise of his powers under any Order granted pursuant to this Petition shall be voided by virtue of section 99 of the Act.
8. The OL shall be at liberty to appoint attorneys, counsel and professional advisors, whether in the Cayman Islands or elsewhere, as he may consider necessary to advise and assist him in the performance of his duties in accordance with Order 25 of the CWR.
9. Subject to section 109(2) of the Act and the Insolvency Practitioners' Regulations, 2018, the OL be authorised to render and pay invoices out of the assets of the Company for his own remuneration.
10. The OL be at liberty to meet all disbursements reasonably incurred in connection with the performance of his duties and, for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Company as an expense of the liquidation.
11. The OL shall be at liberty to apply generally.
12. The Petitioner's costs of and incidental to the Petition shall be paid forthwith out of the assets of the Company as an expense of the liquidation, such costs to be taxed on an indemnity basis.

AND your Petitioner will ever pray etc.

DATED the 4th day of May 2021

Walkers

WALKERS

Attorneys-at-Law for the Petitioner

NOTE: This Petition will be served in accordance with any order of the Court requiring the Petitioner to do so.

This Petition was presented by Walkers, Attorneys-at-Law for the Petitioners, whose address for service is care of their said Attorneys at 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands.

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman, Cayman Islands on the day of 2021 at

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at P.O. Box 495, Grand Cayman KY1-1106, telephone 345 949 4296.