

In the High Court of New Zealand
Wellington Registry

I Te Kōti Matua o Aotearoa
Te Whanganui-a-Tara

CIV-2024-485-404

Under Part 19 of the High Court Rules and Part 16 of the Companies Act 1993

In the matter of **Digital Asset Exchange Limited (in liquidation)**, a
company having its registered office at 155 Queen Street, Auckland, 1010 and
carrying on business as a cryptocurrency exchange

And

In the matter of an application by **David Ian Ruscoe** and **Malcolm
Russell Moore** as liquidators of **Digital Asset Exchange Limited** for
orders under the Companies Act 1993

Applicants

Affidavit of Malcolm Russell Moore in support of interlocutory
application for procedural directions and directions to convert
cryptocurrency into New Zealand Dollars

Sworn: 17 March 2025

MinterEllisonRuddWatts

PO Box 105 249 Auckland City 1143
T +64 9 353 9700
Solicitor acting: Ana Simkiss | ana.simkiss@minterellison.co.nz
Partner responsible: Sean Gollin | sean.gollin@minterellison.co.nz

903142277

I, **MALCOLM RUSSELL MOORE**, of Auckland, Chartered Accountant and Accredited Insolvency Practitioner, swear:

Introduction and summary of application

1. I am a Chartered Accountant by profession. I am the national managing partner of Grant Thornton New Zealand Limited (**Grant Thornton**) based in the Auckland office of the firm Grant Thornton. I am a licensed insolvency practitioner (IP42) under the Insolvency Practitioners Regulation Act 2019.
2. The second named applicant, David Ian Ruscoe, is a Chartered Accountant in Grant Thornton's Wellington Office, and also a licenced insolvency practitioner (IP50). On 14 August 2023 Mr Ruscoe and I were appointed liquidators of Digital Asset Exchange Limited (**Dasset** or the **Company**) (the **Liquidators**).
3. I have knowledge of the matters I depose, and I am authorised to swear this affidavit on behalf of the applicants. I have previously sworn two affidavits in connection with this liquidation: on 18 August 2023 and on 8 July 2024 (**July Affidavit**).
4. My July Affidavit was in support of the Liquidators' originating application for directions dated 12 June 2024 (**Originating Application**) and interlocutory application as to procedural directions dated 12 June 2024 (**Interlocutory Application**).
5. The purpose of this affidavit is to update the Court on the progress of this liquidation and to support an interlocutory application (**Second Interlocutory Application**). The Second Interlocutory Application asks the Court to:
 - (a) make procedural directions to resolve the Originating Application; and
 - (b) give directions permitting the Liquidators to convert cryptocurrencies held by the Liquidators (**Digital Assets**) to New Zealand Dollars to pay the costs of the liquidation and this proceeding.
6. It is my belief, for the reasons I explain in this affidavit, that the orders sought will assist us to progress this liquidation and to carry out the liquidation in a pragmatic and cost-effective manner in line with the Liquidators' duties under s 253 of the Companies Act 1993.

7. In the next section of this affidavit, from paragraphs 11 to 16, I explain the steps the Liquidators have taken since the Court made the orders sought in the Interlocutory Application on 18 July 2024.
8. From paragraphs 17 to 23 I describe our recent contact with non-Account Holder creditors including the IRD.
9. From paragraphs 24 to 29, I set out an updated assessment of the value of the Digital Assets held by the Liquidators.
10. From paragraphs 30 to 51 I summarise and explain the reasons for the orders we seek in the Second Interlocutory Application.

Steps taken by the Liquidators since 18 July 2024

11. The Liquidators have carried out the orders made by this Court on 18 July 2024. Specifically, on 5 August 2024, the Liquidators effected service on all Account Holders, shareholders and creditors by:
 - (a) uploading copies of the proceedings (being the Originating Application, Interlocutory Application, the July Affidavit, and the memorandum of counsel dated 12 July 2024) and sealed orders of this Court to grantthornton.co.nz/DASSET/; and
 - (b) sending an email to all known Account Holders, shareholders and creditors with a link to the documents hosted at grantthornton.co.nz/DASSET/.
12. A screenshot of the Dasset webpage on the Grant Thornton website showing copies of the proceedings and orders made by this Court is annexed and marked **MRM "H"**.
13. A true copy of the email sent to all Account Holders, shareholders and creditors as described at paragraph 11(b) is annexed and marked **MRM "I"**
14. There were no Account Holders or creditors for whom no email address was held.
15. The Liquidators received 254 responses asking about the claims process or signalling an interest in the directions application.

16. None of the parties served as described in paragraph 11 have advised the Liquidators of any intention to apply to oppose, vary or set aside the orders sought. This was reported in the Liquidators' Third Report on the State of Affairs of Dasset dated 10 September 2024.¹ A true copy of this report is annexed and marked **MRM "J"**.

Attempt to seek consent to the Originating Application

17. Given the limited value of the Digital Assets and significant shortfall expected in this liquidation,² the Liquidators decided that it was worth exploring whether the non-Account Holder creditors would consent to the orders sought in the Originating Application, potentially lowering the cost and time involved in this proceeding. Because the IRD is the largest creditor, and the largest of the two preferential creditors,³ their consent would be crucial. For this reason, we decided to approach the IRD first, and secure their consent if possible before approaching other creditors.
18. If the Court determines that the assets of the company are held on trust for Account Holders, there would be effectively no assets to pay the IRD and other creditors. If no trust is found to exist, the IRD would be paid before other unsecured creditors including Account Holders.
19. On 2 October 2024, the Liquidators emailed the IRD seeking its consent to the directions sought in the Originating Application. The Liquidators informed the IRD that they had not received any opposition to the orders sought, including from the IRD, and asked whether the IRD would consent to the orders sought in order to progress the liquidation in a cost-effective way and minimise depletion of the Digital Assets in litigation costs.
20. By reply, the IRD said that it would not be filing any opposition to the Originating Application. However, the IRD sought to reserve its right to vary the directions if there was a scenario where further funds became available. A true copy of this email exchange with the IRD is annexed and marked **MRM "K"**.

¹ MRM "I" Liquidators' Third Report dated 10 September 2024, at 3.

² Affidavit of Malcolm Russell Moore sworn 8 July 2024, at paragraph 31.

³ Affidavit of Malcolm Russell Moore sworn 8 July 2024 at [29]. The IRD is owed \$419,041 (\$150,933 as a preferential creditor and \$268,108 as an unsecured creditor). The other preferential claims are employee claims of \$47,304 (which have increased from \$35,533, the amount I stated in my earlier affidavit).

21. The Liquidators' concern is that what the IRD is suggesting is that it should be able to revisit the Court's directions after final orders are made. This is not in the interest of creditors, or the interest of all interested parties in finality and the prompt distribution of assets.
22. Our view is that creditors who wish to be heard on, or to oppose the final orders sought in the Originating Application must have that opportunity, including appeal rights. However, those who are served and do not participate ought not to get an opportunity to revisit or reopen the final orders after they are made. That is why we have sought the orders at 1(f) of the Second Interlocutory Application.
23. In short, the Liquidators have not obtained the consent of non-Account Holder creditors to the orders sought in the Originating Application. Accordingly, we are now seeking orders from the Court to have the Originating Application heard and determined.

Updated value of Digital Assets

24. In my July Affidavit, I said that the Liquidators had obtained advice as to the value of the Digital Assets, and that they were estimated to have a value of \$656,777 USD⁴ (\$1,143,051 NZD using the conversion rate at xe.com on 17 March 2025⁵).
25. Since then, the Digital Assets have appreciated significantly in value.
26. The Liquidators have sought an updated valuation of the Digital Assets as at 31 December 2024.
27. A true copy of this valuation is annexed and marked **MRM "L"**.
28. At the date of valuation, the total value of the Digital Assets was estimated at \$880,611 USD. This increase in value is in part attributable to an increase in

⁴ July Affidavit, at paragraph 38.

⁵ The exchange rate given on XE.com is 1 NZ Dollar = 0.574551 US Dollars. We would expect this exchange rate to fluctuate, and it is likely to be different from this if and when the Liquidators need to convert US Dollars to NZ Dollars.

JK
pm

the value of two coins that form part of the Digital Assets, Bitcoin and Dogecoin.

29. Since 31 December 2024, the value of Bitcoin and Dogecoin has decreased. These assets are volatile, and they are likely to change in value again.

Order 1(b): to permit conversion of Digital Assets

30. Orders 4 and 5 sought in the Originating Application would permit the Liquidators to:
- (i) realise Digital Assets by converting them to NZD; and
 - (ii) meet all costs of carrying out their duties out of the Digital Assets, as a cost of the liquidation or alternatively as a trustee carrying out their duty.
31. As no Digital Assets have been converted into fiat currency yet, the Liquidators' costs have been funded by the Liquidators and their solicitors own working capital resources. The Liquidators' fees, including all legal fees, are unpaid to date.
32. We therefore seek order 1(b) permitting us to convert into New Zealand Dollars the value of the Digital Assets we estimate is necessary to meet the costs of this liquidation and proceeding until the final orders described above are made.
33. No creditor or Account Holder will be prejudiced by this order, as all Digital Assets and proceeds will only be applied in accordance with the Court's orders and the Liquidators' duties. In this respect, the Court has already made an order that the costs of the Originating Application would be met from the realised Digital Assets.⁶
34. We estimate the high end of a reasonable estimate of costs to be \$901,749 as explained below. Given there is some unavoidable uncertainty as to what the costs of the liquidation will be, this amount includes a contingency of 10%. This amount is intended to be sufficient to fund the liquidation until final orders are made, so that it will not be necessary to approach the Court again

⁶ On 18 July 2024.

to seek a similar order before that happens and the additional costs such a further application would entail would be avoided.

35. We have carefully considered what costs must be incurred in the next twelve months, which is our conservative estimate of the time it will take for the High Court to hear and determine the Originating Application. This includes allowance for the possibility of an appeal from the High Court. Attached to this affidavit and marked **MRM "M"** is a document the Liquidators have prepared to explain how each category of costs has been estimated.
36. These categories are, in broad terms:
- (i) Liquidators' costs incurred to date = \$492,887;
 - (ii) forecast Liquidators' costs excluding the cost of converting Digital Assets = \$304,939;
 - (iii) costs of converting Digital Assets to fiat currency; plus
 - (iv) 10% contingency.

Each of these categories is explained further in **MRM "M"**.

37. The components of the higher and lower ends of the range of costs are summarised below. Conservatively, we have used the higher estimate for the purposes of this application.

	Costs to date	Estimated future costs excl costs of realisation	Conversion costs	Total	10% contingency
Low	\$492,886.60	\$304,939	\$3,994.57	\$801,820.17	\$882,002.19
High	\$492,886.60	\$304,939	\$21,945.65	\$819,771.25	\$901,748.38

38. There is a high and low figure because there is a range for the estimated costs of converting the Digital Assets to NZ dollars. This is because these costs can vary significantly. Providers of over the counter (**OTC**) conversion services offer different commission rates depending on the virtual assets involved in the trade. Risk and therefore charges will be higher or lower based on the market conditions for that specific coin, including liquidity, the size of the trade as well as the time that the assets are in the provider's custody.

39. The Digital Assets held by the Liquidators vary in this respect. Bitcoin, for example, is quite liquid and commensurately lower risk with a lower cost to convert. Other coins held have virtually no market so more costs will be incurred in converting them. There may also be a cost to convert from US dollars, which most trades are carried out in, to NZ dollars.

The other procedural orders sought

40. Below I address the other orders sought in the Second Interlocutory Application.

Order 1(a)(ii): appointment of Jenny Cooper KC as amicus curiae

41. We seek orders appointing Jenny Cooper KC as counsel to assist the Court, either in a neutral way or by acting as a contradictor at the Court's direction. The Liquidators have adopted the view that the Digital Assets are held on trust for Account Holders, which would advantage Account Holders and disadvantage creditors, if the Court agrees. The Liquidators therefore consider it necessary and appropriate for counsel to be appointed to assist the Court, particularly as no creditor has to date sought to be heard. This will ensure that all matters the Court considers relevant are properly aired, and all relevant views are represented in this litigation by experienced counsel.
42. Ms Cooper KC has also been engaged as court-appointed counsel in the liquidation of Cryptopia Limited (**Cryptopia**), which concerns similar issues. Ms Cooper KC represents the interests of the creditors of Cryptopia in that liquidation. We think it is likely to be efficient that Ms Cooper KC is appointed as amicus curiae in this proceeding given her familiarity with the legal issues.
43. On that basis, we expect that all interests will be represented in an effective and efficient way.

Order 1(a)(ii): as to the appointment of Isac J as the Judicial Officer in this proceeding

44. We seek orders assigning this proceeding to Isac J. This order is sought because Isac J has been involved in the Cryptopia liquidation, which concerns similar issues, having issued judgments in *Ruscoe (as liquidators of Cryptopia Ltd (in liq)) v Epic Trust Ltd* [2024] NZHC 1336 and *Ruscoe v Epic*

Trust Limited [2024] NZHC 1546 and [2024]. His Honour's previous experience means that he will be familiar with the legal issues and subject matter of this liquidation. While Gendall and Palmer JJ have had a greater involvement in the Cryptopia liquidation, we understand neither is a possibility following the retirement of Gendall J and the appointment of Palmer J to the Court of Appeal.

Order 1(a)(iii): setting the matter down for a two-day hearing in the Wellington High Court

45. We ask that the Originating Application be set down for a two-day hearing in the Wellington High Court.
46. We have requested that the hearing be set down after 10 June 2025 to account for all pre-trial steps. We ask that the Court registry consult with us and Ms Cooper KC on suitable dates.

Order 1(a)(iv): timetabling orders for joint list of issues and submissions for the hearing

47. We seek timetabling orders setting out the steps that counsel will take in advance of the hearing. These orders are sought as we consider that it will be helpful for the Court to have a list of issues and written submissions before the hearing date. This will help ensure that the Originating Application, and more broadly, this liquidation, will progress efficiently.

Order 1(c): Authorising payment of the costs of the liquidation and this proceeding to be made prior to any distributions being made

48. This order is sought to confirm that the costs of this application are costs of the liquidation and/or of the administration of the trust and may be paid prior to distributions being made.

Orders 1(d) and 1(e): as to service of the application, all documents filed, and the orders made by the Court

49. Service of all documents in this proceeding will be consistent with the orders previously granted in this proceeding and liquidation on 18 July 2024 in respect of the Originating Application, Interlocutory Application, and on 24

August 2023 in respect of service requirements under the Companies Act 1993.

50. As I mentioned in my July Affidavit, this is the most efficient and appropriate way to effect service on, and communicate with, all the claimants in this liquidation.

Orders 1(f) and 1(g): leave is reserved for the Liquidators, any Account Holder or unsecured creditor to apply to the Court to set aside or vary any of the procedural directions and orders made

51. This order gives any interested party the right to apply to the Court to vary the procedural orders made. Any such application will need to be made within 10 working days of the sealed orders being served on that Account Holder, shareholder or creditor so that the liquidators can complete the liquidation with confidence. The order provides the creditors with the right to be heard if they have any concerns with the orders.

SWORN at Auckland)
this 17th day of March 2025)
before me:)


Malcolm Russell Moore



A Solicitor of the High Court of New Zealand

Josiah Leslie Kemp
Solicitor
Auckland

MRM "H"

EXHIBIT NOTE

This is the Exhibit MRM "H" referred to in the affidavit of
MALCOLM RUSSELL MOORE sworn at Auckland this
17th day of March 2025 before me:


Josiah Leslie Kemp
Solicitor
Auckland



A Solicitor of the High Court of New Zealand

Update for Dasset Creditors and Users 5 August 2024

granthornton.co.nz/Dasset/update-for-dasset-creditors-and-users-5-august-2024/



Meet our people

Services

Insights

Industries

Careers

Events

Locations


Search

Home

Digital Asset Exchange Limited (trading as Dasset)

Update for Dasset Creditors and Users 5 August 2024

Update for Dasset Creditors and Users 5 August 2024



On 15 August 2023, David Ruscoe and Russell Moore from Grant Thornton New Zealand were appointed liquidators of Digital Asset Exchange Limited (trading as 'Dasset'), a New Zealand digital assets trading platform.

As mentioned in the Liquidators Second report on Dasset issued March 2024. The Liquidators intended to seek legal directions on the terms and conditions of the exchange to consider its relationship with its Account Holders. Specifically, whether the Crypto Assets are held in trust for Account Holders, or whether they should be for the benefit of all Company creditors.

In June 2024, this directions application was filed in the High Court of New Zealand. As part of this application the court has issued orders to provide service of these proceedings by emailing all known account holders, shareholders and creditors with the link to the documents below.

Copies of the relevant proceedings and court documents can be found linked below:

- [1. Sealed orders as to service and procedural directions](#)
- [2. Originating application by liquidators for directions](#)
- [3. Affidavit of Malcolm Russell Moore in support of originating application for directions by liquidators and interlocutory application as to procedural directions](#)

Due to the large number of Account Holders we will not be responding to individual emails. All previous communications and circulars produced by the Liquidators can be found on the [Dasset liquidation page](#).

The next statutory report is due in September, and we will provide a formal update on the liquidation progress via this report.

CONNECT

Contact us

Meet our people

Careers

Alumni

Request for sponsorship

Locations

ABOUT

About Grant Thornton

Insights

Press


LEGAL


Privacy


Disclaimer


Sitemap

FOLLOW US









MRM “I”

Hasaan Malik

From: Digital Asset Exchange Limited (in Liquidation) <Dasset@nz.gt.com>
Sent: Monday, 5 August 2024 11:10 am
Subject: Digital Asset Exchange Limited (in Liquidation) (“the Company”)

Dear DASSET Account Holder,

On 15 August 2023, David Ruscoe and Russell Moore from Grant Thornton New Zealand were appointed liquidators of Digital Asset Exchange Limited (trading as ‘Dasset’), a New Zealand digital assets trading platform.

As mentioned in the Liquidators Second report on Dasset issued March 2024, the Liquidators intended to seek legal directions on the terms and conditions of the exchange to consider its relationship with its Account Holders. Specifically, whether the Crypto Assets are held in trust for Account Holders, or whether they should be for the benefit of all Company creditors.

In June 2024 this directions application was filed in the High Court of New Zealand. As part of this application the court has issued orders to provide service of these proceedings by emailing all known Account Holders, shareholders and creditors with the link to the documents hosted on the dedicated Grant Thornton New Zealand website [here](#).

Please note that as part of these orders that any Account Holder, shareholder or creditor may apply to the Court to set aside or vary any of these directions and orders with appropriate notice being given to the Liquidators by applying to the Court within 10 working days of these order being sent. This means the deadline for applying to setting aside or varying these orders needs to be made by 16 August 2024.

Regards

EXHIBIT NOTE

This is the Exhibit MRM “I” referred to in the affidavit of
MALCOLM RUSSELL MOORE sworn at Auckland this
17th day of March 2025 before me:



A Solicitor of the High Court of New Zealand

Josiah Leslie Kemp
Solicitor
Auckland

Liquidators’ Third Report on the State of Affairs of

Digital Asset Exchange Limited (in Liquidation)

Josiah Leslie Kemp
Solicitor
Auckland

EXHIBIT NOTE

Company number: 6261371

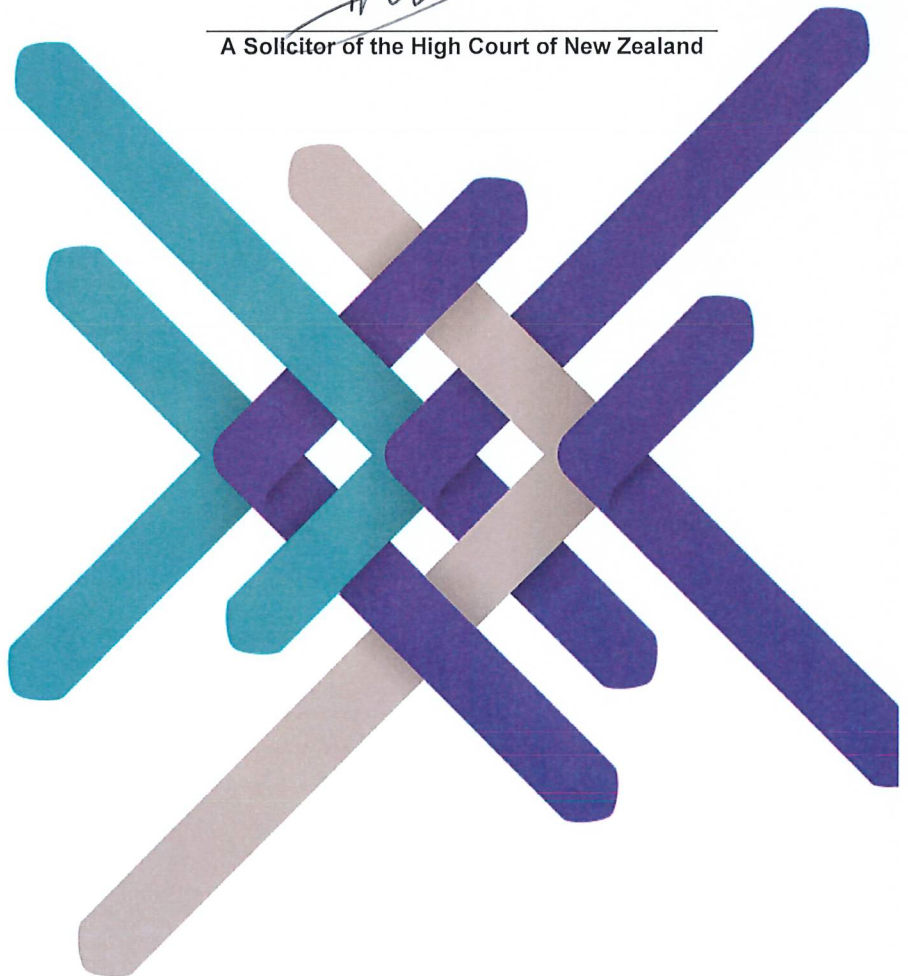
NZBN: 9429046068682

This is the Exhibit MRM “J” referred to in the affidavit of
MALCOLM RUSSELL MOORE sworn at Auckland this
17th day of March 2025 before me:



A Solicitor of the High Court of New Zealand

10 September 2024



Contents

Introduction	2
Conduct of the liquidation	3
Remaining Matters	6
Appendix A – Remuneration Report	7
Appendix B – Statement of Affairs	10
Appendix C – Schedule of Known Creditors	11

Introduction

David Ian Ruscoe (IP#50) and Malcolm Russell Moore (IP#42) of Grant Thornton New Zealand Limited ("Grant Thornton") were appointed jointly and severally as Liquidators of Digital Asset Exchange Limited ("the Company") on 14 August 2023 at 2:00pm by a special resolution of the shareholders pursuant to section 241(2)(a) of the Companies Act 1993 ("the Act").

Liquidators of insolvent companies are required to be licensed insolvency practitioners. Information about the regulation of insolvency practitioners is available from the Registrar of Companies.

We have considered the Declaration of Independence, Relevant Relationships and Indemnities provided in our first report and confirm that there have been no changes to it.

We set out below our third report on the state of the affairs of the Company for the period from 14 February 2024 to 14 August 2024 ("the Period") as required by section 255(2)(d) of the Act and section 7 of the Companies (Reporting by Insolvency Practitioners) Regulations 2020 ("the Regulations").

Restrictions

This report has been prepared by us in accordance with and for the purpose of section 255 of the Act and section 7 of the Regulations. This report is not intended for general circulation, nor is it to be reproduced or used for any purpose without the liquidators' written permission in each specific instance.

The Liquidators, their employees and agents do not assume any responsibility or liability for any losses occasioned to any party for any reason including as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

The Liquidators reserve the right (but will be under no obligation) to review this report and, if considered necessary, to revise the report in light of any information existing at the date of this report which becomes known to them after that date.

We have not independently verified the accuracy of the information provided to us and have not conducted any form of audit in respect of the Company. We express no opinion on the reliability, accuracy or completeness of the information provided to us and upon which we have relied. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever arising from this report.

The statements and opinions expressed in this report are based on information available and assumptions made as at the date of this report. It is possible that actual outcomes may be significantly different from those disclosed in this report.

In addition, the following should be noted:

- Certain values included in tables in this report have been rounded and therefore may not add exactly; and
- All amounts are stated in New Zealand dollars.

Conduct of the liquidation

Receipts and Payments

There have been no receipts or payments incurred by the Company since the commencement of the liquidation, as such, the Liquidators have not included a Statement of Receipts and Payments for the period.

Digital asset recovery

The Liquidators have a responsibility to protect and preserve the Company's digital asset holdings for the benefit of those entitled to them.

Since being appointed the Liquidators have been in contact with the third-party exchange and have recovered the Company's reported digital assets. The Liquidators have obtained the majority of transactional information held by this party, which will form the basis for the investigations into the conduct of the company and its officers.

The Liquidators have begun the process of reconciling users' balances and actual digital assets held by the Company to quantify the shortfall in holdings. As detailed in the initial Liquidators report, we anticipate the shortfall to be significant, with potentially less than 10% of customer liabilities covered by digital assets the Company claims to have held at our appointment.

Investigations

We continue to investigate the affairs of the Company and its Directors, including related parties, in the period prior to our appointment to determine if there are any further avenues of recovery available to the Company. Our duties as Liquidator require a transparent and robust investigation into the Company.

Given the potential shortfall detailed above the Liquidators have been in contact with the Financial Markets Authority and the Serious Fraud Office ("SFO"). The Liquidators are working with the SFO who have opened an investigation into the Company (SFO case number: 231333). The SFO encourages anyone who has relevant information to its investigation to contact them at dasset@sfo.govt.nz.

As a registered Financial Service provider (FSP1004807), the Company was required to provide access to a dispute services process. We have been informed by the Insurance and Financial Services Ombudsman ("IFSO") that the Company was removed from the IFSO scheme prior to liquidation as it had not responded to complaints raised by the IFSO. During the period of this report the company was deregistered.

If any insolvent transactions or breaches of legislation have occurred, we will take appropriate action where it has the potential to increase the recovery available to creditors and report where required to the relevant authorities.

Users

The Liquidators have attempted to contact all Users that are recorded by the Company as placing an order with the exchange within the last five years and are working towards confirming outstanding user balances.

In July the Liquidators applied to the court for legal directions on the terms and conditions of the exchange to consider the relationship with its Users. Specifically, whether the Crypto Assets are held in trust for Users, or whether they should be for the benefit of all Company creditors. We have sent the service orders to all users that were on the Company's database, known creditors, and posted on the Grant Thornton website (<https://www.grantthornton.co.nz/Dasset/update-for-dasset-creditors-and-users-5-august-2024/>). No users or creditors have sought to vary or amend the orders within the specified 10-day working period. At the time of this report, we await communications from the court for setting a date for the hearing to be heard in the Wellington High Court.

No assets can be distributed (to Users or creditors) until the Court has made the directions judgment.

With the legal matters above the Liquidators are looking to establish a User claims process that is agnostic and suitable to both potential outcomes of this direction's application. If you have not done so already, we request that Users you contact dasset@nz.gt.com stating they would like to be included on the Users mailing list. We hope to launch this claims process in the coming months.

Creditors

Secured Creditors

At the date of our appointment, there were no security interests registered against the Company.

Preferential Creditors

To date, we have received 4 claims from employees totalling \$47,304 and a preferential claim from the Inland Revenue Department for PAYE / GST for \$150,932.

At this stage, it is unknown if there will be any funds available to make payment to preferential creditors.

Unsecured Creditors

To date, we have received three unsecured creditors' claims totalling \$293,017.

The updated statement of affairs per Appendix B excludes digital assets and User liability values. This is due to the planned legal directions application on the terms and conditions of the exchange. This needs to be resolved to confirm whether Users are creditors or beneficiaries.

At this stage, it is unknown if there will be any funds available to make payment to unsecured creditors.

Digital asset holdings

As previously discussed, the Company held digital assets on a third-party offshore exchange. While most transactions were captured by the Company internal systems, all user balances were reliant on the real-time reporting of this third-party. While this exchange has been forthcoming with information, the CEO of the Company is understood to retain the key knowledge of how the Company operated and how User records were stored. Despite numerous attempts to contact him, the CEO has not responded to the Liquidators since day 3 of the liquidation and is believed to be overseas. We continue to explore all avenues to contact and communicate with the CEO including any legal powers granted to us as Liquidators of the Company.

To date after numerous interactions, compliance requests and information exchanges with the third-party exchange, we have recovered 94 cryptocurrencies and tokens. However, as previously reported there is a significant shortfall between the reported level of users' holdings and the amount of digital assets held by the Company. The value of digital assets recovered at the date of appointment are c. \$0.6m vs. user liabilities of c. \$6.9m.

Given this large deficit, we have investigated the Company's trading records, with a particular emphasis on blockchain withdrawals. Based on our preliminary findings the Liquidators have identified a number of unexplained withdrawal transactions. These transactions have been traced using blockchain analytics tools to several offshore and decentralised virtual asset service providers who mostly do not have a New Zealand presence. This includes several centralised and decentralised exchanges that allow derivative trading. These transactions which are valued at millions of dollars appear to be responsible for the large deficit in assets.

Remuneration Report

The Liquidators' have not been paid any remuneration during the Period, however, time costs incurred by the Liquidators' total \$91,172.00 exclusive of GST.

A detailed breakdown of the Liquidators' outstanding fees and disbursements during the Period is enclosed at Appendix A, including a schedule of the qualifications and experience generally of staff at each level. A schedule of the work relating to the remuneration received during the Period is also summarised in Appendix A.

Remaining Matters

Investigations

We continue to investigate the affairs of the Company and its directors in the period prior to our appointment to determine if there are any further avenues of recovery available to the Company.

Estimated date of completion of the liquidation

It is not practicable to estimate the date of the completion of the liquidation at this stage.

Should you have any queries in relation to any matter raised in this report then please contact Tom Aspin on dasset@nz.gt.com.

Dated: 10 September 2024



Malcolm Russell Moore
Liquidator
Digital Asset Exchange Limited (in Liquidation)

Appendix A – Remuneration Report

Section 1: Initial Advice to Creditors

Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the Liquidation and the role they take. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Description of title	Hourly rate (Exc. GST)
Partner	Accredited Insolvency Practitioner. Partner bringing specialist skills to Liquidations and Insolvency matters. Controlling all matters relating to the assignment.	\$650
Director	Qualified accountant and may be a Registered Insolvency Practitioner. Minimum 7/8+ years' experience. Highly advanced technical and commercial skills. Planning and control of all Liquidation and Insolvency tasks. Controlling substantial matters relating to the assignment and reporting to the appointee.	\$500
IT Specialist	Specialist IT Practitioner bringing specialist skills in Cybersecurity, IT forensics, AML and other IT related matters.	\$330 - \$450
Manager/Senior Manager	Typically Qualified. 5-8 years' experience. Well developed technical and commercial skills. Planning and control of Liquidation and Insolvency tasks with the assistance of the appointee.	\$380 - \$420
Senior Analyst	Typically Qualified. 3-4 years' experience. Required to conduct the fieldwork on small to medium Liquidations and Insolvency tasks and assist with fieldwork on larger Liquidations and Insolvency tasks.	\$250
Analyst	Typically undertaking Qualifications. Up to 3 years' experience. Required to conduct the fieldwork on smaller Liquidations and Insolvency tasks and assist with fieldwork on medium to large Liquidations and Insolvency tasks.	\$150 - \$160
Support Staff	Conducts all aspects relating to administering the accounts function and other functions as required.	\$170

Section 2: Calculation of Remuneration

Calculation of Remuneration – Time based charges

Charged on an hourly basis and per the hourly rates set out by time and cost charged by key category:

	Hourly Rate (\$ph)	Administration/ Statutory		Asset Realisation		Creditors/Users		Investigations		Legal Matters		Total	
		Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)
Partner	650	-	-	1.2	780	4.4	2,860	13.7	8,905	24.0	15,600	43.3	28,145
Director	500	-	-	14.0	7,000	11.5	5,750	28.4	14,200	16.5	8,250	70.4	35,200
IT Specialist	330 - 450	-	-	-	-	-	-	-	-	-	-	-	-
Senior Manager	420	-	-	-	-	-	-	-	-	-	-	-	-
Manager	380	-	-	-	-	-	-	-	-	-	-	-	-
Senior Analyst	260	-	-	-	-	-	-	-	-	-	-	-	-
Analyst	150 - 160	32.5	4,882	9.4	1,417	40.4	6,213	75.5	11,405	14.8	2,363	172.6	26,280
Support Staff	170	3.9	663	-	-	5.2	884	-	-	-	-	9.1	1,547
Total		36.4	5,545	24.6	9,197	61.5	15,707	117.6	34,510	55.3	26,213	295.4	91,172

Basis of Disbursement Claim

Disbursements	Total (\$ exc. GST)
Travel (flights, car rental, accommodation etc)	1,738
Amazon Web Services hosting	2,013
Misc. Incidentals and Advertising	181
Total Disbursements	3,932
Total Fees	95,104
Total Liquidators costs	109,369

Section 3: Description of Work

Summary of work performed in relation the Liquidators' remuneration for the Period:

Task Area	General Description	Includes
Assets	Debtors	<ul style="list-style-type: none"> Correspondence with debtors Reviewing and assessing debtors ledgers Liaising with debt collectors and solicitors
	Crypto Assets	<ul style="list-style-type: none"> Review of company assets Reviewing notional values from Crypto markets of recovered assets Liaising with 3rd Party exchange around compliance requests and other incidentals Securing assets into cold storage and custodian control
	Other Assets	<ul style="list-style-type: none"> Tasks associated with realising other assets
Creditors/Users	Creditor Enquiries	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone and email. Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email
	IT specialist environment	<ul style="list-style-type: none"> Imaging exchange environment including User databases Secure transfer of AWS tenancy to Liquidators control included access controls
	Creditor reports	<ul style="list-style-type: none"> Preparing statutory report, investigation, meetings and general reports to creditors
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing Proofs of Debt Corresponding with Proofs of Debt
Administration/Statutory	Company office obligations	<ul style="list-style-type: none"> Filing with Companies Office
	Planning/Review	<ul style="list-style-type: none"> Meetings and engagement planning
	Report as to Affairs	<ul style="list-style-type: none"> Directors Questionnaire Completion deadlines and extensions Drafting press releases for stakeholders
Investigations	Tracing exercises	<ul style="list-style-type: none"> Using blockchain analytics tools on Cryptocurrency transactions Transaction analysis
	Company/Directors duties	<ul style="list-style-type: none"> Reviewing company solvency and financial reporting Investigating director's duties Review of IT environment and company mailboxes Inspection of service agreements Reviewing conduct of companies for breaches of Companies Act Interviews with Directors and Shareholders
	Regulator engagement	<ul style="list-style-type: none"> Attending to regulatory/statutory requests Meetings with regulators
Legal Matters	Identity verification scoping	<ul style="list-style-type: none"> Initial review of customer database, collected KYC and other identity requirements. Crypto specific obligations
	Legal memos	<ul style="list-style-type: none"> Preparing legal memos on Liquidation progress and findings

Appendix B – Statement of Affairs

	Note	Second Report Estimated Outcome (NZ\$)	Third Report Estimated Outcome (NZ\$)
Assets			
Digital assets	1	Unknown	Unknown
Total Assets		Unknown	Unknown
Liabilities			
User liabilities	1	Unknown	Unknown
Preferential creditors			
Employees		35,533	47,304
IRD - GST and PAYE		150,933	150,933
Unsecured creditors			
Trade creditors		19,350	6,909
IRD – Unsecured portion		286,108	286,108
Total Liabilities		Unknown	Unknown
Estimated net assets/(liabilities)		Unknown	Unknown

Notes

1. The statement of affairs excludes digital assets and user liabilities values. This is due to the legal directions' application on the terms and conditions of the exchange. This needs to be resolved to confirm whether Users are considered creditors or beneficiaries.

Appendix C – Schedule of Known Creditors

Creditor Name	Address
Allen Cooper	Address withheld
Amazon Web Services	Level 5, 18 Viaduct Harbour Ave, Auckland 1010
Cryptocurrency NZ Meetups	Address unknown
Dext Software	Unit 1.2 Techspace Shoreditch, 25 Luke Street, London EC2A 4DS
Future Sight Consulting	Unit 214, 20 Mason Avenue, Otahuhu, Auckland 1062
Green ID	Level 2, 40 Taranaki Street, Te Aro, Wellington 6011
Illion Open Data Solutions	B6, L2 Central Park, 666 Great South Rd, Ellerslie, Auckland 1051
Illion Solutions	Address unknown
Inland Revenue Department	PO Box 39090, Wellington Mail Centre, Lower Hutt
Iwantmyname	ideegeo Group LTD, c/o iwantmyname, PO Box 116, Napier 4110
Julia Malley	Address withheld
Longzhen Shen	Address withheld
Louis Lising	Address withheld
Only Office	Address withheld
OriginID	18 Broadway, Newmarket, Auckland 1023
PHX Consulting	Address unknown
Sendgrid	101 Spear Street, Ste500, San Francisco, CA 94105
Sherry Tabanao	Address withheld
Slack Technologies	Address unknown
Stephen Macaskill	Address withheld
TECHEMY LIMITED	PO BOX 90497, Auckland, 1010
ZenDesk	7/395 Collins St, Melbourne, Victoria 3000, Australia



MRM "K"

Hasaan Malik

From: David Tasker <[REDACTED]>
Sent: Wednesday, 2 October 2024 10:57 am
To: Tom Aspin
Subject: RE: Digital Asset Exchange Limited (in Liquidation) ("the Company")

[IN CONFIDENCE RELEASE EXTERNAL]

[IN CONFIDENCE RELEASE EXTERNAL]

Hi Tom

I agree that the key thing is to turn the remaining assets into liquid funds as cheaply and beneficially as possible so we know what amount of money we are talking about.

Upon consideration, it appears arguable whether the available funds are in fact held on trust for the exchange users, or are company assets available to company creditors. The Dasset terms of service say that money in the trust bank account is held on trust but digital assets owned in Dasset's name may well be a different matter, even if they were acquired by Dasset in breach of its terms of service or in breach of trust. The position taken in Cryptopia was no doubt based on different underlying facts and contractual terms. Resolving this question in the High Court would be a complex and costly matter and a key determinant in deciding whether the argument is necessary is the amount at stake which we do not know yet.

Also, if there is an available pool of funds, there might be a prospect for a pragmatic agreed resolution to avoid the all or nothing position for either the exchange users or the Commissioner that would arise if the matter had to be formally resolved by the Court. The Commissioner taking part of the available funds is likely to make only a minimal difference to the recovery of any individual exchange user.

The Commissioner has therefore not filed an opposition to the current application for directions and is content for you to go ahead on the basis of the directions sought, on the basis the Commissioner reserves his rights to seek a variation to the directions in due course if it transpires there is a substantial pool of funds the Commissioner considers he should get part of to go towards the unpaid taxes.

Let me know if there is anything more you need from us to advance matters, or if it would help to talk things over

Regards

EXHIBIT NOTE

David Tasker | Solicitor | Legal Services | Inland Revenue
T. [REDACTED]
M. [REDACTED]
E. [REDACTED]

This is the Exhibit **MRM "K"** referred to in the affidavit of **MALCOLM RUSSELL MOORE** sworn at Auckland this 17th day of March 2025 before me:



A Solicitor of the High Court of New Zealand

Josiah Leslie Kemp
Solicitor
Auckland

From: Tom Aspin [REDACTED] >
Sent: Wednesday, October 2, 2024 9:59 AM
To: David Tasker <[REDACTED]>
Cc: Nathan Wallis [REDACTED]; David Ruscoe [REDACTED]; Russell Moore <[REDACTED]>; Mitchell Rix <[REDACTED]>
Subject: RE: Digital Asset Exchange Limited (in Liquidation) ("the Company")

[IN CONFIDENCE RELEASE EXTERNAL]

External Email CAUTION: Please take **CARE** when opening any links or attachments.

Hi David,

I hope is well with you.

We have now served our directions application on all known users and creditors of Digital Asset Exchange Limited trading as "Dasset" with no party opposing the application by the liquidators for the Court to make the Orders sought. With this response the Liquidators have been looking at cost-saving initiatives to not erode the minimal assets that will be able to be returned to users if the Court finds that 'Digital Assets' are held on Trust for the benefit of Dasset account holders. One such cost-saving idea was looking for efficiencies in the legal process with a suggestion to 'short-circuit' the directions application process and avoid the potential need to hold a substantive in-person hearing by seeking the consent of Creditors, to abide by the outcome of the decision of the Court. This could mean that the application can be reviewed 'on the papers' by the Judge.

As the IRD is the largest Creditor outside of the account holders pool would you be free to discuss the position of the IRD on this?

Kind Regards,

Tom

Tom Aspin
Director, Financial Advisory Services

M [REDACTED]
T [REDACTED]
E [REDACTED]
[Linkedin.com/GrantThorntonNewZealand](https://www.linkedin.com/company/grantthorntonnewzealand)

grantthornton.co.nz

L15 Grant Thornton House
215 Lambton Quay
Wellington
6143



DISCLAIMER: The information in this email is confidential and may be legally privileged. It is intended solely for the addressee. Access to this email by anyone else is unauthorised. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful. When addressed to our clients, any opinions or advice contained in this email are subject to the terms and conditions expressed in the governing Grant Thornton client engagement letter. This email may be a tax advice document that is not required to be disclosed in full to Inland Revenue. Tax advice documents should be kept confidential and therefore professional advice should be sought before disclosing this document. © 2022 Grant Thornton New Zealand Ltd/Grant Thornton New Zealand Audit Limited. All rights reserved.

From: Russell Moore <[REDACTED]>
Sent: Friday, 9 August 2024 5:21 pm
To: David Tasker <[REDACTED]>; Emily Holliday <[REDACTED]>; David Ruscoe <[REDACTED]>; Tom Aspin <[REDACTED]>; Mitchell Rix <[REDACTED]>
Cc: Nathan Wallis <[REDACTED]>
Subject: Re: Digital Asset Exchange Limited (in Liquidation) ("the Company")

Thanks David

@Emily Holliday, can you please set up a Teams meeting to discuss,

Thanks

Russell Moore
National Managing Partner

M [REDACTED]
[REDACTED]
[REDACTED]

[Linkedin.com/GrantThorntonNewZealand](https://www.linkedin.com/company/grantthorntonnewzealand)

[grantthornton.co.nz](https://www.grantthornton.co.nz)

L4, Grant Thornton House
152 Fanshawe Street
Auckland
1010



DISCLAIMER: The information in this email is confidential and may be legally privileged. It is intended solely for the addressee. Access to this email by anyone else is unauthorised. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful. When addressed to our clients, any opinions or advice contained in this email are subject to the terms and conditions expressed in the governing Grant Thornton client engagement letter. This email may be a tax advice document that is not required to be disclosed in full to Inland Revenue. Tax advice documents should be kept confidential and therefore professional advice should be sought before disclosing this document. © 2022 Grant Thornton New Zealand Ltd/Grant Thornton New Zealand Audit Limited. All rights reserved.

From: David Tasker <[REDACTED]>
Sent: Friday, August 9, 2024 15:57
To: Russell Moore <[REDACTED]>
Cc: Nathan Wallis <[REDACTED]>
Subject: FW: Digital Asset Exchange Limited (in Liquidation) ("the Company")

[IN CONFIDENCE RELEASE EXTERNAL]

[IN CONFIDENCE RELEASE EXTERNAL]

Hi Russell

I am the Inland Revenue solicitor handling this matter now.

It would be good to have a discussion early next week to ensure I have got a handle on what is happening.

The company was put into liquidation by shareholders. It is unclear what caused the insolvency, whether it was people realising that to some extent cryptocurrency is merely a figment of the imagination, or if some cryptocurrency was misappropriated.

As I understand it, Inland Revenue is owed the bulk of the debt owed to trade creditors, an amount around \$400K. A proof of debt was lodged with the liquidators by the Commissioner in September 2023 or thereabouts.

There are also amounts apparently owing to or claimed by exchange users, on the basis that cryptocurrency is held on trust for the exchange users, and/or on the basis the exchange users are unsecured creditors of the company, adding up to several millions.

Some uncertainty surrounds who owns the remaining cryptocurrency and what its value can be used for and how it is to be distributed, so the liquidators are seeking Court orders to settle the position.

The Commissioner has the 18th July 2024 procedural Order. There appears to be nothing in that which requires the Commissioner to seek a variation to that.

The questions I have at this stage are around what funds there are likely to be to pay the Commissioner, and what the likelihood is that the cryptocurrency will fund payouts to the exchange users on the basis the cryptocurrency belongs to the exchange users as trust beneficiaries, while the Commissioner goes unpaid. On my first reading it looks as though the exchange users, to the extent they do not get paid out of assets held on trust for them, are proposed to be unsecured creditors of the company ranking *pari passu* with the Commissioner's unsecured debt at least (it being unclear what the proposed ranking is as regards the preferential debt). The amounts owed to the exchange users would substantially dilute any payout to the Commissioner.

If there is to be any discord between the Commissioner and the liquidators or exchange users about getting the tax debts paid, the date in the rules for filing a Notice of Opposition to the Originating Application appears to be 10 working days after 5th August 2024, so there is not much time to work with. Even if the Court would allow a later filed opposition to be filed at the drop of a hat.

So thank you for your offer of a chat. I am available any time so please let me know when would suit you.

Regards

David Tasker | Solicitor | Legal Services | Inland Revenue

T. [REDACTED]

M. [REDACTED]

E. [REDACTED]

From: Nathan Wallis <[REDACTED]>

Sent: Friday, August 9, 2024 1:21 PM

To: Katie Lee <[REDACTED]>

Cc: David Tasker <[REDACTED]>

Subject: RE: Digital Asset Exchange Limited (in Liquidation) ("the Company")

[IN CONFIDENCE RELEASE EXTERNAL]

Hi Katie

Yes, this has been allocated to David.

David – fyi re Grant Thornton’s offer re a discussion.

Cheers

Nathan

From: Katie Lee [REDACTED] >

Sent: Friday, August 9, 2024 1:19 PM

To: Nathan Wallis [REDACTED] >

Subject: FW: Digital Asset Exchange Limited (in Liquidation) (“the Company”)

[IN CONFIDENCE RELEASE EXTERNAL]

Hi Nathan

Just circling back on the above re Digital Asset Exchange Limited (in Liquidation). We spoke about this in our work on hand meeting. I know you mentioned David could be the solicitor on this.

Grant Thornton has reached out regarding a discussion if we want one in terms of their application.

Katie Lee

Technical Lead and Solicitor – Legal Services (Auckland) | Inland Revenue Department

T: +[REDACTED]

[REDACTED]

From: Russell Moore [REDACTED] >

Sent: Friday, August 9, 2024 12:30 PM

To: Katie Lee <[REDACTED]>

Cc: Andrew Tringham [REDACTED]; Karen Whitiskie <[REDACTED]>; David

Ruscoe <[REDACTED]>; Tom Aspin <[REDACTED]>; Mitchell Rix [REDACTED] >

Subject: RE: Digital Asset Exchange Limited (in Liquidation) (“the Company”)

[IN CONFIDENCE RELEASE EXTERNAL]

External Email CAUTION: Please take CARE when opening any links or attachments.

Hi Katie,

We are happy to have a discussion with the IRD early next week to work through any questions you may have in respect of the orders that we are seeking

regards

Russell Moore

National Managing Partner
Grant Thornton New Zealand

M [REDACTED]
grantthornton.co.nz

From: Katie Lee <[REDACTED]>
Sent: Monday, August 5, 2024 1:31 PM
To: Russell Moore <[REDACTED]>
Cc: Andrew Tringham <[REDACTED]>; Karen Whitiskie <[REDACTED]>
Subject: RE: Digital Asset Exchange Limited (in Liquidation) ("the Company")

[IN CONFIDENCE RELEASE EXTERNAL]

[IN CONFIDENCE RELEASE EXTERNAL]

Good afternoon Russell

Thank you for your email below. I confirm and acknowledge receipt on behalf of the Commissioner.

Kind regards

Katie Lee

Technical Lead and Solicitor – Legal Services (Auckland) | Inland Revenue Department

T: [REDACTED]

[REDACTED]

From: Karen Whitiskie <[REDACTED]>
Sent: Monday, August 5, 2024 11:32 AM
To: Katie Lee <[REDACTED]>
Cc: Andrew Tringham <[REDACTED]>
Subject: FW: Digital Asset Exchange Limited (in Liquidation) ("the Company")

From: Russell Moore <[REDACTED]>
Sent: Monday, August 5, 2024 11:29 AM
To: Karen Whitiskie <[REDACTED]>

Cc: David Ruscoe <[REDACTED]>; Tom Aspin <[REDACTED]>; [REDACTED]
[REDACTED]>

Subject: Digital Asset Exchange Limited (in Liquidation) ("the Company")

External Email CAUTION: Please take CARE when opening any links or attachments.

Dear Karen,

On 15 August 2023, David Ruscoe and Russell Moore from Grant Thornton New Zealand were appointed liquidators of Digital Asset Exchange Limited (trading as 'Dasset'), a New Zealand digital assets trading platform.

As mentioned in the Liquidators Second report on Dasset issued March 2024, the Liquidators intended to seek legal directions on the terms and conditions of the exchange to consider its relationship with its Account Holders. Specifically, whether the Crypto Assets are held in trust for Account Holders, or whether they should be for the benefit of all Company creditors.

In June 2024 this directions application was filed in the High Court of New Zealand. As part of this application the court has issued orders to provide service of these proceedings by emailing all known Account Holders, shareholders and creditors with the link to the documents hosted on the dedicated Grant Thornton New Zealand website [here](#).

Please note that as part of these orders that any Account Holder, shareholder or creditor may apply to the Court to set aside or vary any of these directions and orders with appropriate notice being given to the Liquidators by applying to the Court within 10 working days of these order being sent. This means the deadline for applying to setting aside or varying these orders needs to be made by 16 August 2024.

Can you please confirm that the IRD accepts this email as service.

Regards

Russell Moore
National Managing Partner



[Linkedin.com/GrantThorntonNewZealand](https://www.linkedin.com/company/grantthorntonnewzealand)

[grantthornton.co.nz](https://www.grantthornton.co.nz)

L4, Grant Thornton House
152 Fanshawe Street
Auckland
1010



DISCLAIMER: The information in this email is confidential and may be legally privileged. It is intended solely for the addressee. Access to this email by anyone else is unauthorised. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful. When addressed to our clients, any opinions or advice contained in this email are subject to the terms and conditions expressed in the governing Grant Thornton client engagement letter. This email may be a tax advice document that is not required to be disclosed in full to Inland Revenue. Tax advice documents should be kept confidential and therefore professional advice should be sought before disclosing this document. © 2022 Grant Thornton New Zealand Ltd/Grant Thornton New Zealand Audit Limited. All rights reserved.

This email and any attachment may contain confidential information. If you have received this email or any attachment in error, please delete the email / attachment, and notify the sender. Please do not copy, disclose or use the email, any attachment, or any information contained in them. Consider the environment before deciding to print: avoid printing if you can, or consider printing double-sided. Visit us online at ird.govt.nz

This email and any attachment may contain confidential information. If you have received this email or any attachment in error, please delete the email / attachment, and notify the sender. Please do not copy, disclose or use the email, any attachment, or any information contained in them. Consider the environment before deciding to print: avoid printing if you can, or consider printing double-sided. Visit us online at ird.govt.nz

This email and any attachment may contain confidential information. If you have received this email or any attachment in error, please delete the email / attachment, and notify the sender. Please do not copy, disclose or use the email, any attachment, or any information contained in them. Consider the environment before deciding to print: avoid printing if you can, or consider printing double-sided. Visit us online at ird.govt.nz

MRM “L”

EXHIBIT NOTE

This is the Exhibit **MRM “L”** referred to in the affidavit of **MALCOLM RUSSELL MOORE** sworn at Auckland this 17th day of March 2025 before me:



A Solicitor of the High Court of New Zealand

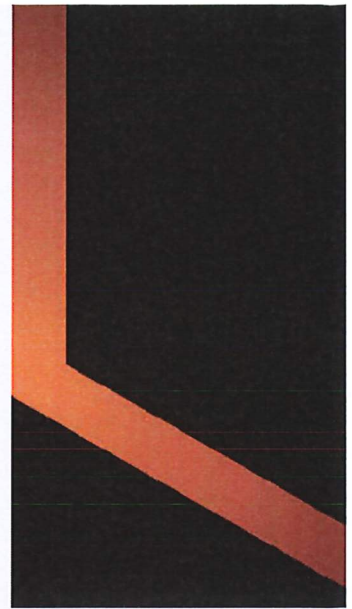
Josiah Leslie Kemp
Solicitor
Auckland

Valuation Report:

DASSET

(Under administration by Grant Thornton NZ)

December 31 2024



Contents

<i>Contents</i>	2
<i>Portfolio Analysis</i>	3-4



Portfolio Analysis

Table of Analysis

Snapshot Date

31st Dec 2024

Liquidity of Portfolio

With respect to Portfolio Valuation*

Net Portfolio Valuation 1.5m - 1.6m \$NZD

Liquid 96%

No. of Tokens 51

Illiquid 4%

No. of Liquid Tokens 49

Asset	Ticker		Valuation (\$USD)	Liquidity	Insurance
Bitcoin	BTC		\$274,913.52	Liquid	Insured
Ethereum	ETH		\$92,791.40	Liquid	Insured
Dogecoin	DOGE		\$81,802.85	Liquid	Insured
Ripple (XRP)	XRP		\$140,493.66	Liquid	Insured
Cardano	ADA		\$56,461.92	Liquid	Insured
Hedera	HBAR		\$56,136.80	Liquid	Insured
Chainlink	LINK		\$33,084.60	Liquid	Insured
Polkadot	DOT		\$13,918.57	Liquid	Insured
Bitcoin Cash	BCH		\$12,563.43	Liquid	Insured
Polygon	MATIC		\$5,882.03	Liquid	Insured
Litecoin	LTC		\$10,304.91	Liquid	Insured
DigiByte	DGB		\$6,777.88	Liquid	N/A
Solana	SOL		\$8,428.63	Liquid	Insured
Loopring	LRC		\$4,977.74	Liquid	Insured
Stellar	XLM		\$19,465.64	Liquid	Insured
Cronos	CRO		\$6,094.62	Liquid	N/A
Ethereum Classic	ETC		\$5,007.19	Liquid	Insured
Aave	AAVE		\$18,922.65	Liquid	Insured
Komodo	KMD		\$4,091.51	Liquid	N/A
Cosmos	ATOM		\$2,081.94	Liquid	Insured
Tezos	XTZ		\$3,968.26	Liquid	Insured
The Sandbox	SAND		\$3,508.61	Liquid	Insured
Compound	COMP		\$3,613.66	Liquid	Insured
USD Coin	USDC		\$2,438.20	Liquid	Insured
Tether USD	USDT		\$4,078.09	Liquid	Insured
0x Protocol	ZRX		\$1,615.05	Liquid	N/A
Storj	STORJ		\$1,360.01	Liquid	N/A
Siacoin	SC		\$709.97	Liquid	Insured

Portfolio Valuation* represents Estimated Portfolio Valuation Incorporating Market Liquidity

Portfolio Analysis (Cont.)

Asset	Ticker		Valuation (\$USD)	Liquidity	Insurance
Fantom	FTM		\$794.96	Liquid	N/A
Synthetic	SNX		\$616.10	Liquid	Insured
Kusama	KSM		\$577.26	Liquid	N/A
Neo	NEO		\$392.95	Liquid	N/A
Band Protocol	BAND		\$428.91	Liquid	N/A
Numeraire	NMR		\$182.52	Liquid	N/A
SushiSwap	SUSHI		\$365.89	Liquid	Insured
Curve DAO Token	CRV		\$603.36	Liquid	Insured
Gala	GALA		\$215.33	Liquid	N/A
Dai	DAI		\$181.54	Liquid	N/A
OMG Network	OMG		\$64.24	Liquid	N/A
Orchid	OXT		\$123.07	Liquid	N/A
Bancor	BNT		\$87.40	Liquid	N/A
Reserve Rights	RSR		\$199.43	Liquid	N/A
Steem	STEEM		\$82.13	Liquid	N/A
Alchemy Pay	ACH		\$59.87	Illiquid	N/A
Folder Protocol	FOL		\$0.00	Liquid	Insured
ApeCoin	APE		\$52.60	Liquid	Insured
Celo	CELO		\$32.12	Liquid	N/A
Ankr	ANKR		\$25.89	Liquid	N/A
Kadena	KDA		\$31.15	Liquid	N/A
RFOX	RFOX		\$1.73	Illiquid	N/A
ArdCoin	ARDX		\$0.00	Illiquid	N/A

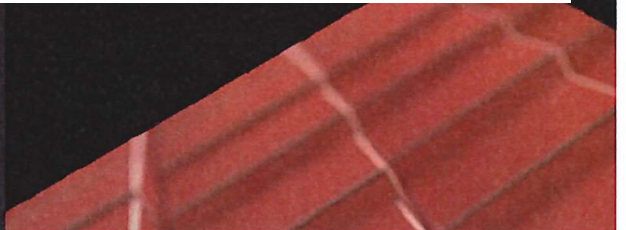
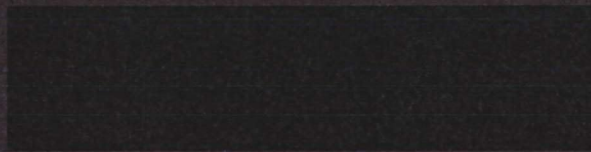
Portfolio Valuation* represents Estimated Portfolio Valuation Incorporating Market Liquidity



Commentary

Tokens that are marked as liquid would indicate that [REDACTED] sees no issue liquidating those tokens on various CEX/DEX platforms.

On the other hand, tokens marked as illiquid were found to have no tradeable market at present across any venues. These tokens can be thought to be dormant and [REDACTED] will be unable to liquidate them.



MRM “M”

Liquidators’ cost to date to 10 March 2025

Category	\$(Ex GST)	Description
Liquidators Unbilled Fees	295,870	See breakdown on following page.
Liquidators Disbursements	38,727	Note this includes initial billed AWS hosting costs of \$26k. Breakdown is on following page.
AWS Hosting Costs(unbilled)	19,809	Hosting costs required for maintaining DASSET exchange infrastructure including account holders’ records beyond the initial AWS costs included in Liquidators’ Disbursements.
IT Specialist costs outstanding(unbilled)	26,235	Costs paid to assist with the extraction and review of the DASSET IT environment
Legal Fees (including disbursements)	112,245.6	Legal fees and disbursements of MinterEllisonRuddWatts in relation to the liquidation of Dasset from 31 August 2023 to 10 March 2025.
		This includes unbilled fees of \$7079.50
Total Liquidators’ Cost	492,886.6	

EXHIBIT NOTE

This is the Exhibit MRM “M” referred to in the affidavit of
MALCOLM RUSSELL MOORE sworn at Auckland this
17th day of March 2025 before me:



A Solicitor of the High Court of New Zealand

Josiah Leslie Kemp
Solicitor
Auckland

Anticipated cost of Liquidation

Category	\$(Ex GST)	Description
Liquidators' Unbilled Fees	150,000	<p>Difficult to estimate.</p> <p>We have estimated up to \$5k for the cost of serving procedural orders on all Account Holders and creditors.</p> <p>\$25k per month for the 2 months leading up to the directions hearing. \$50k for the month of the Directions hearing given senior resource required.</p> <p>To allow a resourcing contingency regarding communications and responses to any interested parties (including Creditors and Account Holders) about the liquidation process, including inquiries about the directions application and any subsequent appeals, we have allowed a \$5k a month running cost for 9 months to accommodate any unforeseen delay or complications.</p>
AWS Hosting Costs	18,000	Variable. Currently \$1.5k per month. Forecast for 12 months.
Legal Fees – MinterEllisonRuddWatts	85,739	
Legal Fees – Jenny Cooper KC	50,000 1,200	Estimated fees and disbursements of Jenny Cooper KC
Estimated cost for conversion of Digital Assets.	-	<p>The cost of realisation of digital assets is based on the notional value of the assets requiring conversion to fiat and/or NZD.</p> <p>Providers will charge a percentage based on the total value of the Digital Assets included in each trade e.g. 1. BTC to NZD, 2 BTC to DOGE.</p> <p>Based on our experiences with such providers of these over-the-counter offerings, the commission percentage varies based on the digital assets included in any trade. Rates charged are adjusted for risk based on market conditions, including liquidity, size of the trade and also the time that assets are in the provider's custody.</p> <p>This leads to the range of fees that could be charged during the realisation process. This is why a low and high number are presented being a low estimate at 0.25% and high at 2.5%.</p> <p>Traditional wire transfer fees charges could also be due with the conversion as trade proceeds are often payable in USD which would need to be repatriated to</p>

		the Liquidators' NZD bank account and would incur both SWIFT/TT and FX fees. The provider may also charge initial setup costs for the Liquidation account and onboarding along with custody fees chargeable between the time of Digital Assets deposit and the execution of trade/realisation. To estimate this along with gas/transaction fees paid to the validator/miner of the relevant cryptocurrency, which will be payable as part of the transfer of digital assets to the selected provider we have allowed a contingency of \$2k.
Total Liquidators' Estimated future costs	304,939 (excluding costs of realisation)	

Totals

Total Liquidators' costs incurred to date = \$492,886.6

Total forecast Liquidators' costs excluding cost of realisation = \$304,939

To date + forecast costs = \$797,826

Cost of realisation Low= \$3,994.57 High= \$21,945.65

(a) Low estimate at 0.25% = \$1,994.57

(b) High estimate at 2.5% = \$19,945.65

(c) Allowance for any transaction costs and custodial charges \$2k

Estimated cost of liquidation through next 12 months:

(a) \$801,820.17 with low costs of realisation

(b) \$819,771.25 with high costs of realisation

Liquidators Remuneration to Date 10 March 2025

Calculation of Remuneration – Time based charges

Charged on an hourly basis and per the hourly rates set out by time and cost charged by key category:

	Hourly Rate (\$ph)	Administration/ Statutory		Asset Realisation		Creditors/Users		Investigations		Legal Matters		Total	
		Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)	Hours	Cost (\$)
Partner	650	27	17,615	9	5,655	6	3,835	67	43,810	50	32,268	159	103,183
Director	500	2	775	19	9,250	12	5,750	86	42,950	52	26,000	169	84,725
Senior Manager	420	30	12,600	32	13,440	-	-	54	22,680	8	3,150	124	51,870
Manager	380	2	570	5	1,710	5	1,900	3	1,064	-	-	14	5,244
Senior Analyst	260	2	520	-	-	4	910	-	-	-	-	6	1,430
Analyst	150 - 160	45	6,885	9	1,417	64	10,215	146	20,426	19	3,081	283	42,023
Support Staff	170	37	6,358	-	-	6	1,037	-	-	-	-	44	7,395
Total		144	45,323	73	31,472	96	23,647	356	130,930	128	64,498	797	295,870

Basis of Disbursement Claim

Disbursements	Total Disbursements (\$ exc. GST)
Travel (flights, car rental, accommodation etc)	2,736
Amazon Web Services hosting	26,326
Xero Subscription	201
Misc. Incidentals and Advertising	9,464
Total Disbursements	38,727
Total Fees	295,870
Total Liquidators costs	334,597

Description of Work

Summary of work performed in relation the Liquidators' remuneration to date:

Task Area	General Description	Includes
Assets	Debtors	<ul style="list-style-type: none"> Correspondence with debtors Reviewing and assessing debtors' ledgers Liaising with debt collectors and solicitors
	Crypto Assets	<ul style="list-style-type: none"> Review of company assets Reviewing notional values from Crypto markets of recovered assets Liaising with 3rd Party exchange around compliance requests and other incidentals Securing assets into cold storage and custodian control
	Other Assets	<ul style="list-style-type: none"> Tasks associated with realising other assets
Creditors/Users	Creditor Enquiries	<ul style="list-style-type: none"> Responding to user email queries regarding directions email sent Responding to users email queries regarding orders sought Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives via email
	Creditor reports	<ul style="list-style-type: none"> Meeting with IRD, discussion with investor on Friday and information. Preparing statutory report, investigation, meetings and general reports to creditors Meeting with account holders
Administration/Statutory	Company office obligations	<ul style="list-style-type: none"> Filing with Companies Office
	Planning/Review	<ul style="list-style-type: none"> Meetings and engagement planning
	Report as to Affairs	<ul style="list-style-type: none"> Directors Questionnaire Completion deadlines and extensions Drafting press releases for stakeholders
Investigations	Tracing exercises	<ul style="list-style-type: none"> Using blockchain analytics tools on Cryptocurrency transactions Transaction analysis and reporting of Company attributed wallets Disclosure requests to identified counterparty questions
	Company/Directors duties	<ul style="list-style-type: none"> Reviewing company solvency and financial reporting Investigating director's duties Review of IT environment and company mailboxes Inspection of service agreements Reviewing conduct of companies for breaches of Companies Act Interviews with Directors and Shareholders
	Regulator engagement	<ul style="list-style-type: none"> Attending to regulatory/statutory requests Meetings with regulators being the Financial Markets Authority (FMA) and Serious Fraud Office (SFO)
Legal Matters	Identity verification scoping	<ul style="list-style-type: none"> Initial review of customer database collected KYC and other identity requirements Crypto specific obligations
	Legal memos	<ul style="list-style-type: none"> Preparing legal memos on Liquidation progress and findings include those related to application to directions Working with legal advisers to prepare evidence in support of directions application