

November 30, 2023

VIA EMAIL

Calvin Ayre, Publisher
Tom Abrahamsen, Editor-In-Chief
CoinGeek
info@coingeek.com

Re: Tron Network Ltd. – Demand for Removal, Retraction and Apology

Dear Mssrs. Ayre and Abrahamsen:

This law firm is litigation counsel for Tron Network Ltd. (“TRON”). We write concerning the false and defamatory statements in the story published by CoinGeek, on or about November 14, 2023, bearing the headline “*Justin Sun, Circle targeted in letter to US senators re ‘crypto’ terror funding,*” available at <https://coingeek.com/justin-sun-circle-targeted-in-letter-to-us-senators-re-crypto-terror-funding/> (the “Story”).

The following statements in the Story of and concerning TRON are false and defamatory (collectively, the “Defamatory Statements”), and we hereby demand that CoinGeek remove the Defamatory Statements from the Story and publish a full, fair, and conspicuous retraction and apology as to each of the statements, with as prominent placement as the original:

1. “Justin Sun, Circle targeted in... ‘crypto’ terror funding...”
2. “Justin Sun’s Tron blockchain is once again being flagged as terror groups’ go-to financing option, ...”
3. “...the exchanges ‘moved funds overwhelmingly’ using Tether’s USDT stablecoin on the Tron blockchain.”
4. The Story refers to a recent urging for “the Department of the Treasury to go beyond its recent targeting of so-called ‘coin mixing’ services and target terror groups and money launderers’ use of ‘chain hopping’ to obfuscate the trail of illicit assets.”
5. “...‘an Asia-based network of trading platforms and cryptocurrencies’...is responsible for ‘billions of dollars in transactions by alleged organized crime groups and sanctioned entities.’ This Asian network, ‘revolving around the blockchain system TRON, is headed by Chinese national Justin Sun’ and was the conduit for “much of the recent alleged terrorist funding through digital assets.”

6. The Story refers to:
 - a. "...terror groups' use of USDC, Tether's USDT, and TRON's native token, TRX..."
 - b. "multiple large flow addresses...have redeemed USDC for USD (presumably through Circle's bank accounts) have also received funds from wallets Israeli intelligence flagged as belonging to Hamas or Hezbollah."
 - c. "...Circle's introduction of its Cross Chain Transfer Protocol...makes it easier for USDC to 'chain hop,' while...increased efforts by law enforcement to target coin mixers and non-compliant exchanges 'is leading to a 'crime displacement' effect where criminals are resorting to cross-chain crime as an alternative."
 - d. "...the popularity of the TRON-based SunSwap platform among terror groups for obtaining financing, noting that both USDT and USDC are among the digital tokens traded on SunSwap."
7. "[I]t's reasonable to ask if Sun's network also may cause broader harms. And, thanks to their involvement with Circle, which has benefitted from a regulatory framework slow to catch up to crypto firms that skirt the rules, reputable banking institutions may find they unwittingly have participated in facilitating criminal organizations such as Hamas."
8. But given that Sun has spent much of his life on the run from multiple agencies, we assume his threat is more hollow than a dollar store chocolate Easter bunny.

These false statements maliciously and wrongly accuse TRON of allegedly engaging in and/or being involved with "cross-chain crime," crypto "terror funding," and/or being "terror groups' go-to financing option" or a "popular" "platform among terror groups for obtaining financing," including in connection with and/or related to Hamas and/or Hezbollah. They also falsely accuse Mr. Sun of being a life-long criminal who has spent "much of his life" "on the run" from multiple agencies and of "heading" "an Asia-based network of trading platforms and cryptocurrencies" that is allegedly "responsible for 'billions of dollars in transactions by alleged organized crime groups and sanctioned entities'." The Story falsely claims that this "Asian network" "revolv[es] around the blockchain system TRON" and "was the conduit for "much of the recent alleged terrorist funding through digital assets." By falsely accusing TRON of engaging in, among other things, criminal activity, including but not limited to laundering "billions of dollars" through transactions for "organized crime groups and sanctioned entities," the Defamatory Statements give rise to a claim for libel *per se*.

The Defamatory Statements are absolutely false and highly defamatory. TRON does not fund, facilitate, launder money, and/or run conduits intended to facilitate the financing of terrorist groups. Nor has TRON engaged in any wrongdoing, illegal conduct, or theft, in connection with the TRON blockchain, Circle, USDC, TRX or otherwise.

TRON has not laundered money by facilitating “billions of dollars in transactions” for “organized crime groups and sanctioned entities,” or used or facilitated “chain hopping” to supposedly hide illicit assets or avoid detection of alleged money laundering activities. TRON is a decentralized protocol, similar to Bitcoin and Ethereum, with nodes operating worldwide. Global Super Representatives are responsible for running this decentralized protocol. TRON is committed to supporting a world-class blockchain which is leveraged each day for countless lawful purposes. A top priority of TRON remains maintaining decentralization, ensuring the security of the protocol, and providing instant, affordable, and reliable transactions, as has always been the case.

Countless tokens, including Circle’s USDC token, are merely compatible with the TRON blockchain. This is similar to the way that a developer makes an app intended for use on iOS for Apple’s iPhone. A token may be actively “listed” on an *exchange* pursuant to an agreement, but this is not what USDC on the TRON network is akin to. TRON is *not* an exchange.

Rather, because blockchains (like TRON) are open-source, developers make projects and tokens that are suitable for specific blockchains. This may require a token holder on one blockchain to move or “hop” from one platform or “chain” to another. Indeed, “chain hopping” has many legitimate and practical every day uses.

It is also false and intentionally misleading for the Story to claim that TRON’s involvement, association and/or dealings with Circle, and alleged complicity in Circle’s purported “skirt[ing of] the rules” has also caused “reputable banking institutions” to have “unwittingly...participated in facilitating criminal organizations such as Hamas.” Circle is a well regulated financial services company that has been granted multiple state money transmission licenses, the state regimes that govern the likes of major U.S. Payments institutions, including Stripe, PayPal, and Apple. Circle is also registered as a money services business (MSB) with the U.S. Department of Treasury, which means that it adheres to KYB/AML and financial compliance requirements.

In light of the foregoing, demand is hereby made that you:

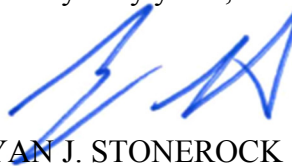
1. Remove each of the Defamatory Statements from CoinGeek website(s), social media account(s) and any platform on which they were published, including but not limited to www.coingeek.com;
2. Publish a full, fair and conspicuous retraction of the Defamatory Statements on CoinGeek website(s), social media account(s) and any platform on which they were published, including but not limited to www.coingeek.com, in a form approved by our office, in substantially as conspicuous a manner as the original statements; and
3. Cease and desist from publishing further false and defamatory statements about my Clients and/or any of their affiliated companies and/or individuals.

Please confirm in writing within **forty-eight (48) hours** of the transmission of this letter that the foregoing demands will be, and are being, fully complied with. Failure to do so will leave my client with no alternative but to consider instituting immediate legal proceedings against CoinGeek, among potentially others. Should that occur, TRON will pursue all available causes of action and seek all available legal remedies to the maximum extent permitted by law.

You are officially on notice of this dispute and therefore you are required to undertake steps to affirmatively preserve, and not delete, any and all physical and electronic documents, materials, information, and data that pertain in any way to the Story and/or my client, including without limitation all emails, text messages, instant messages (IMs), letters and memoranda, articles, and social media postings (including all drafts as well as final versions of all written communications), as well as all other types of written, physical and digital materials including handwritten notes, typewritten notes, summaries, charts, receipts, audio recordings, video recordings, photographs, telephone call logs, calendar entries of all types, financial data and information, etc. that pertain in any way or might otherwise be relevant or related to the foregoing matters. All sources of documents, materials, information, and data should be preserved, including without limitation, physical files, electronic and digital files, computer servers, email servers, backup tapes, cloud storage, personal computers, hard drives, smart phones, tablets, and other types of storage devices including external drives, thumb drives, zip drives, disks and DVDs. Failure to affirmatively preserve such documents and materials could result in severe sanctions imposed by a court which could include, among other remedies, monetary sanctions, evidentiary sanctions, issue sanctions and/or the striking of an answer and entry of a default judgment.

This letter is not intended as a full or complete statement of all relevant facts, applicable law, causes of actions or legal remedies, and nothing herein is intended as, nor should it be deemed to constitute, a waiver or relinquishment of any of my client's rights, remedies, claims or causes of action, all of which are hereby expressly reserved.

Very truly yours,



RYAN J. STONEROCK
HARDER STONEROCK LLP