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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Genesis Global Holdco, LLC, *et al.*,¹

Debtors.

GEMINI TRUST COMPANY, LLC, for itself
and as agent on behalf of the Gemini Lenders,

Plaintiff,

v.

GENESIS GLOBAL CAPITAL, LLC,

Defendant.

Chapter 11

Case No. 23-10063 (SHL)

Adv. Proc. No. 23-01192 (SHL)

1. The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's tax identification number (as applicable), are: Genesis Global Holdco, LLC (8219); Genesis Global Capital, LLC (8564); Genesis Asia Pacific Pte. Ltd. (2164R). For the purpose of these Chapter 11 Cases, the service address for the Debtors is 175 Greenwich Street, 38th Floor, New York, NY 10007.

GENESIS GLOBAL CAPITAL, LLC,

Plaintiff,

v.

GEMINI TRUST COMPANY, LLC,
individually and as agent on
behalf of the Earn Users, and
EARN USERS 1-232,824

Defendants.

Adv. Pro. No. 23-01203 (SHL)

**GEMINI TRUST COMPANY, LLC’S STATEMENT IN SUPPORT OF
DEBTORS’ MOTION FOR ENTRY OF AN ORDER APPROVING A
SETTLEMENT AGREEMENT AMONG THE DEBTORS,
GEMINI TRUST COMPANY, LLC, THE AD HOC GROUP OF GENESIS
LENDERS, AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Gemini Trust Company, LLC (“Gemini”), by and through its undersigned counsel, hereby submits this statement (this “Statement”) in support of the *Debtors’ Motion for Entry of an Order Approving a Settlement Agreement Among the Debtors, Gemini Trust Company, LLC, the Ad Hoc Group of Genesis Lenders, and the Official Committee of Unsecured Creditors*, filed contemporaneously herewith (Chapter 11 Cases ECF No. 1499; Adv. Pro. No. 23-01192 ECF No. 49; and Adv. Pro. No. 23-01203 ECF No. 16] (the “Gemini Settlement Motion”),² and respectfully states as follows:

1. Gemini urges the Court to grant the Gemini Settlement Motion and approve the Settlement Agreement attached as Exhibit B thereto, a landmark achievement in these Chapter 11 Cases. It represents an overwhelmingly positive result for both the Debtors and the Gemini

2. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Gemini Settlement Motion.

Lenders. If approved, the Settlement Agreement will facilitate the full return, on an in-kind coin-for-coin basis, of the Gemini Lenders' Digital Assets that have been unavailable since Genesis's suspension of redemptions sixteen months ago. Gemini is dedicated to the success of the Settlement Agreement, including its commitment to contribute \$50 million. The Settlement Agreement presents the best and only path to a near-term coin-for-coin recovery for the Gemini Lenders. In sum, the Settlement Agreement represents an exceptional, and at one-point unimaginable, outcome for Gemini Lenders: they will receive back their missing Digital Assets and be made whole.

2. After more than a year of negotiation, including six months of hard-fought litigation, the Settlement Agreement accomplishes near-term, coin-for-coin recoveries through a global resolution of the myriad issues that have arisen between the Debtors, their estates, and other creditor constituencies, on the one hand, and Gemini, as agent for the Gemini Lenders, on the other hand. The Settlement Agreement is the result of months of arm's-length negotiations, and its terms are fair and reasonable. It achieves a tremendous outcome for the Gemini Lenders while also preserving estate value and allowing significant distributions to the Debtors' other creditors.

3. Throughout these Chapter 11 Cases, Gemini has committed substantial resources to ensure that the Gemini Lenders—who comprise more than 99% (by number) of the Debtors' creditor base—have been treated fairly. On May 22, 2023, Gemini filed the Gemini Master Claim on behalf of all Gemini Lenders to protect the Gemini Lenders' interests and enable them to receive recoveries from the Debtors' estates. On October 27, 2023, Gemini commenced the GBTC Action to ensure that the Gemini Lenders would be entitled to benefit from the protective measures Gemini took in 2022 to obtain collateral for the Gemini Lenders' loans to GGC (i.e., obtaining the Gemini GBTC Shares and contracting for the delivery of the Additional GBTC Shares). Gemini

has been an active participant in the Chapter 11 Cases, engaging with the Debtors on almost every substantive issue the Debtors have raised and tirelessly fighting for the return of the Gemini Lenders' Digital Assets.

4. The Settlement Agreement brings certainty regarding the amount and timing of the Gemini Lenders' recovery and represents the culmination of Gemini's efforts to maximize the Gemini GBTC Shares for the benefit of the Gemini Lenders. The full value of the Gemini GBTC Shares are brought to bear on achieving full restoration, on an in-kind coin-for-coin basis, of the Digital Assets lent by the Gemini Lenders to GGC but not returned as of November 16, 2022.

5. The 100% coin-for-coin recoveries for the Gemini Lenders have been made possible by the contributions described in the Gemini Settlement Motion and the Settlement Agreement. In summary, to fully restore to the Gemini Lenders the pending Digital Assets currently reflected in their accounts, from which they have been denied access for sixteen months:

- Gemini has agreed to contribute value equivalent to \$50 million;
- the Gemini Lenders will receive up to \$50 million in value from DCG passed through as a percentage of recoveries that the Debtors or their successors obtain from DCG through litigation, settlement, or otherwise;
- the Debtors will distribute to Gemini for the benefit of the Gemini Lenders agreed-upon Alt-Coins and U.S. Dollars of approximately \$200 million in combined value;
- the Debtors will waive and release all claims pertaining to the Gemini Earn Operations Assets, the value of which will be released to Gemini for distribution to the Gemini Lenders;
- Gemini will distribute the value of the Gemini Reserved Coins to the Gemini Lenders; and
- the value of the Gemini GBTC Shares will be applied, in full, towards satisfaction of the Debtors' obligations to the Gemini Lenders.

The Settlement Agreement fully resolves the GBTC Action. The entirety of the Additional GBTC Shares will be allocated to the Debtors' estates to fund substantial distributions to the Debtors' other creditors.

6. As more fully described in the Settlement Agreement, Gemini has agreed to waive substantial claims held by Gemini in its individual capacity and reduce the Gemini Proprietary Claim to \$7.5 million in U.S. Dollars. Gemini will not reduce the recoveries to Gemini Lenders by any fees and expenses incurred by Gemini in connection with the Gemini Earn Program and the Chapter 11 Cases.

7. As the Debtors explain in the Gemini Settlement Motion, the Settlement Agreement is a fair and reasonable resolution of the litigation among the Debtors, Gemini, the AHG, and the Committee, and it amply satisfies the standard applicable under Bankruptcy Rule 9019. The Settlement Agreement represents a favorable negotiated outcome for the Gemini Lenders on all open issues: it facilitates full in-kind recoveries to the Gemini Lenders, nearly all of which the Gemini Lenders will receive promptly in the weeks following the Settlement Effective Date, and it eliminates the downside risk of an unfavorable outcome in the GBTC Action that would have the potential to substantially diminish the recoveries of the Gemini Lenders. If approved, Gemini will work with the Debtors to ensure an efficient and expeditious consummation of the Settlement Agreement.

CONCLUSION

WHEREFORE, for the reasons set forth herein, Gemini respectfully requests that this Court (a) grant the Gemini Settlement Motion and (b) grant such other and further relief as is just and proper.

Dated: New York, New York
March 19, 2024

HUGHES HUBBARD & REED LLP

By: /s/ Anson B. Frelinghuysen

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