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Counsel to Official Committee of Unsecured Creditors

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

In re:	Chapter 11
Genesis Global Holdco, LLC, <i>et al.</i> , ¹	Case No. 23-10063 (SHL)
Debtors.	Jointly Administered
Genesis Global Capital, LLC,	
Plaintiff,	
v.	Adv. Proc. No. 23-01168 (SHL)
Digital Currency Group, Inc.,	
Defendant.	

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

**STATEMENT OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
WITH RESPECT TO THE PARTIAL REPAYMENT AGREEMENT
BETWEEN THE DEBTORS AND THE DCG PARTIES**

The Official Committee of Unsecured Creditors (the “**Official Committee**”) appointed in the cases of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) files this Statement in respect of the Partial Repayment Agreement (as amended, the “**PRA**”),² by and between Genesis Global Capital, LLC and Digital Currency Group, Inc. (“**DCG**”) and DCG International Investments Ltd. (“**DCGI**” and together with DCG, the “**DCG Parties**”) and respectfully states as follows:

1. The Official Committee agrees with the Debtors’ and the Ad Hoc Group of Genesis Lenders’ (the “**AHG**”) position that the DCG Parties have not fully repaid their outstanding obligations under the MLAs and the PRA.

2. In the original PRA executed on September 12, 2023, the DCG Parties acknowledged and agreed that the Outstanding Undisputed Amounts consisted of: (i) the aggregate principal amount of Loans under the DCG MLA as of such date of \$500,000,000.00 USD, (ii) the aggregate principal amount of Loans under the DCGI MLA as of such date of 4,550.45173345 BTC and 14,048 BCH, and (iii) Late Fees under the DCGI MLA as of August 31, 2023 of 70.43849944 BTC.³ Under the original PRA, the DCG Parties paid down a portion of the Outstanding Undisputed Amounts in the applicable denominations.

3. On November 28, 2023, GGC and the DCG Parties entered into an amendment to the PRA (“**PRA Amendment**”). Under the PRA Amendment, the DCG Parties again acknowledged and agreed that as of the date of the PRA Amendment, the Outstanding Undisputed

² Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the PRA.

³ Aside from these short-term Loans, DCG also owes GGC a \$1.1 billion promissory note due in 2032 for which DCG may be subject to liability based on claims and causes of action expressly preserved under the *Amended Joint Chapter 11 Plan* [Main Case Docket No. 989].

Amounts consisted of: (i) the aggregate principal amount of Loans under the DCG MLA of \$324,500,000 USD, (ii) the aggregate principal amount of Loans under the DCGI MLA of 2,737.77102141 BTC and 14,048 BCH, and (iii) the total outstanding Late Fees under the DCGI MLA of 10.12600241 BTC. The DCG Parties made certain payments under the PRA Amendment in the applicable denominations of the Outstanding Undisputed Amounts.

4. On December 28, 2023, the DCG Parties transferred to GGC title to certain ETHE and ETCG shares that they had posted as collateral to secure their obligations under the PRA Amendment purportedly in partial satisfaction of the then Outstanding Undisputed Amounts.

5. On January 5, 2024, the DCG Parties sent a letter notifying GGC of an approximately \$189.5 million additional payment (the “**January 5th Letter**”). In that letter and publicly on X.com, the DCG Parties purported that this payment resulted in a “complete payoff of all short-term loans from Genesis,” after accounting for all prior payments and the transfer of the ETHE and ETCG shares, and excluding approximately \$27 million in Late Fees under the DCG MLA.

6. The Official Committee fully supports the Debtors’ position in the *Notice of Transfer of PRA Collateral and Receipt of Payments from Digital Currency Group, Inc. and DCG International Investments Ltd. in Connection with Obligations Subject to Turnover Actions* [Docket No. 24], as well as the AHG’s position in the *Notice of Disputed Payments in Connection with Amended Partial Repayment Agreement Between Debtors and Digital Currency Group* [Main Case Docket No. 1133]. The DCG Parties have not satisfied their obligations under the short-term loans provided by GGC in full. As noted by the Debtors and the AHG, nothing in the PRA or PRA Amendment permits the DCG Parties to satisfy their USD and BTC obligations in any asset other than USD and BTC, which is what the DCG Parties purported to have done with the transfer of the ETHE and ETCG shares. As explained in GGC’s January 5th Letter, GGC must first convert

the ETHE and ETCG shares into the asset types denominating the Outstanding Undisputed Amounts and account for all associated transaction costs incurred before it may determine how much of the Outstanding Undisputed Obligations were satisfied by the share transfer. The Debtors, the Official Committee, and the AHG are currently in discussions on how to maximize the monetization and conversion of such shares.

Dated: January 8, 2024
New York, New York

Respectfully submitted,

By: /s/ Philip Abelson

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