

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

HEDERA HASHGRAPH, LLC

Plaintiff,

-against-

EXPONENTIAL SCIENCE FOUNDATION
(CAYMAN ISLANDS), EXPONENTIAL
SCIENCE CAPITAL (CAYMAN ISLANDS),
EXPONENTIAL SCIENCE OPCO (CAYMAN
ISLANDS), EXPONENTIAL SCIENCE
FOUNDATION (SWITZERLAND)

Defendants.

Index No.:

SUMMONS

Date Index No. Purchased:

TO THE ABOVE-NAMED DEFENDANTS:

EXPONENTIAL SCIENCE FOUNDATION (CAYMAN ISLANDS)
Elgin Court, Elgin Avenue, PO Box 448
Grand Cayman KY1-1106
Cayman Islands

EXPONENTIAL SCIENCE CAPITAL (CAYMAN ISLANDS)
299 West Bay Rd
Georgetown KY1-1103
Cayman Islands

EXPONENTIAL SCIENCE OPCO (CAYMAN ISLANDS)
Willow House, Cricket Square
Grand Cayman KY1-1001
Cayman Islands

EXPONENTIAL SCIENCE FOUNDATION (SWITZERLAND)
Via Pietro Peri 21b
CH-6900 Lugano
Switzerland

PLEASE TAKE NOTICE THAT YOU ARE HEREBY SUMMONED and required to
answer the Complaint of Plaintiff herein and to serve a copy of your answer on Plaintiff's attorneys

at the address indicated below within 20 days after the service of this Summons, exclusive of the day of service itself (or within 30 days after service is complete if this Summons is not personally delivered to you within the State of New York).

Plaintiff designates New York County as the venue for this action. The basis for this designation is a contractual provision.

YOU ARE HEREBY NOTIFIED THAT should you fail to answer, a judgment will be entered against you by default for the relief demanded in the Complaint.

Dated: May 15, 2026
New York, New York

BROWN RUDNICK LLP

/s/ Stephen D. Palley

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Counsel for Plaintiff

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EXPONENTIAL SCIENCE FOUNDATION
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COMPLAINT

Hedera Hashgraph, LLC (“Hedera”) by and through its undersigned counsel, asserts the following claims against Defendants Exponential Science Foundation (Cayman Islands) (“ESF Cayman”), Exponential Science Capital (Cayman Islands) (“ES Capital”), Exponential Science OpCo (Cayman Islands) (“ES OpCo”), and Exponential Science Foundation (Switzerland) (“ESF Switzerland,” together with ESF Cayman, ES Capital, and ES OpCo, the “ESG Defendants”), and, in support, alleges as follows:

NATURE OF THE ACTION

1. This complaint seeks tens of millions of dollars in money damages, and in the alternative, equitable relief, to redress the ESG Defendants’ breaches of legal obligations to Hedera resulting from ESF Cayman’s refusal to return unspent grant funds and misuse of its wholly owned subsidiaries and affiliates in an attempt to evade its contractual obligations and render ESF Cayman judgment proof.

2. On August 14, 2022, Hedera and ESF Cayman's predecessor-in-interest entered into a grant agreement (the "Grant Agreement") through which Hedera would provide grant funding to ESF Cayman for research, education, and innovation programs to help promote and grow the Hedera ecosystem

3. The Grant Agreement required ESF Cayman to, *inter alia*, return all unspent grant funds to Hedera promptly upon termination of the Grant Agreement. ESF Cayman's obligation to return unspent grant funds included unspent funds transferred to its wholly owned and controlled subsidiaries and certain affiliates listed in the Grant Agreement, as amended.

4. On February 25, 2026, Hedera notified ESF Cayman that it was terminating the Grant Agreement effective May 26, 2026. Hedera requested from ESF Cayman financial statements and details regarding its unspent and uncommitted grant funds to determine ESF Cayman's obligations under the termination provisions of the Grant Agreement.

5. In response, ESF Cayman provided financial statements showing that in the months preceding Hedera's request for its financials, ESF Cayman transferred 98% of its assets to its wholly owned subsidiaries and affiliates. Upon information and belief, ESF Cayman transferred substantially all of its assets to its affiliates ES Capital, ES OpCo, and ESF Switzerland in an attempt to render ESF Cayman effectively judgment proof.

6. When Hedera sought to confirm that ESF Cayman would return the unspent funds transferred to its subsidiaries and affiliates, ESF Cayman refused and claimed it had no obligation to return unspent, contractually committed funds or any funds transferred to its subsidiary and affiliate entities, including those transferred to ES Capital, ES OpCo, and ESF Switzerland.

7. As a result of the ESG Defendants' misconduct, Hedera has been forced to commence this lawsuit asserting claims for breach of contract, breach of the duty of good faith and

fair dealing, unjust enrichment, and declaratory judgment, as well as seeking to pierce the corporate veil, to recover tens of millions of dollars in money damages and injunctive, declaratory and/or equitable relief.

PARTIES

8. Hedera is a Delaware limited liability company comprised of over thirty domestic and foreign members.¹

9. ESF Cayman is a foundation organized in the Cayman Islands.

10. ES Capital is an investment fund organized in the Cayman Islands and wholly owned subsidiary of ESF Cayman and that is 100% controlled by ESF Cayman

11. ES OpCo is a company organized in the Cayman Islands and a wholly owned subsidiary of ESF Cayman.

12. ESF Switzerland is an ESF Cayman affiliate with overlapping leadership roles, including ESF Cayman's Executive Chairman serving as ESF Switzerland's President

JURISDICTION AND VENUE

13. This Court has subject matter jurisdiction over the dispute pursuant to NY GOB § 5-1402 because the Grant Agreement relates to a transaction for over \$1,000,000 and contains New York choice of law and forum selection clauses.

14. The Court has personal jurisdiction over the parties. Under Section 11.2 of the Grant Agreement, ESF Cayman agreed to submit to the jurisdiction of the courts located in New

¹ As an LLC, Hedera has the citizenship of all its members for purposes of Federal diversity jurisdiction, under 28 U.S.C. 1332. See *Bayerische Landesbank, New York Branch v. Aladdin Cap. Mgmt. LLC*, 692 F.3d 42, 49 (2d Cir. 2012). Some of the members of Hedera LLC are foreign citizens and all Defendants are also foreign citizens. For this reason, subject matter jurisdiction lies only in this Court, and not in federal court. See *Universal Licensing Corp. v. Paola del Lungo S.p.A.*, 293 F.3d 579, 581 (2d Cir. 2002).

York, New York. This Court also has personal jurisdiction over Defendants ES Capital, ES OpCo, and ESF Switzerland because they are closely related to Defendant ESF Cayman, a party that agreed to a forum selection clause designating New York as the forum for this dispute. ES Capital, ES OpCo, and ESF Switzerland are closely related to ESF Cayman, were foreseeable recipients/holders of Grant Funds under Appendix 3 and Section 3.2 of the Grant Agreement, and participated in the integrated ESF “Liquid Treasury,” making New York litigation foreseeable to them. Upon information and belief, ESF Switzerland is also controlled by ESF Cayman. Paolo Tasca, ESF Cayman’s Executive Chairman, is President of ESF Switzerland.

15. This Court also has personal jurisdiction over the ESG Defendants pursuant to NY CPLR § 302(a)(1) because, through their representatives Paolo Tasca and Nikhil Vadgama, the ESG Defendants attended a Hedera Council meeting in New York from May 8-10, 2024 during which Mr. Tasca and Mr. Vadgama presented on the status of projects funded by the Hedera grant. The projects funded by the ESG Defendants through the Hedera grant included a September 2025 program at Columbia University in New York.

16. The ESG Defendants should reasonably expect their actions to have consequences in the state of New York. The Grant Agreement is governed by New York law and contains a forum selection clause that designates courts in New York, New York as the forum for any disputes.

17. Venue is proper because the Grant Agreement contains a New York County choice of venue provision and the parties thereto agreed to waive any objection to improper venue or *forum non conveniens*. ES Capital, ES OpCo, and ESF Switzerland are closely related parties to ESF Cayman and thus are also bound by the Grant Agreement’s choice of venue provision.

GENERAL ALLEGATIONS

I. Hedera and the DLT Science Foundation Enter Into the Grant Agreement.

18. Hedera maintains the Hedera public distributed ledger, a high-performance network that uses the hashgraph consensus algorithm instead of a traditional blockchain to achieve fast, low-cost, and secure transaction processing. Hedera is governed by the members of its LLC; a global council of organizations that operate and govern the Hedera network.

19. Hedera supports the Hedera ecosystem in part by issuing grants to foundations that issue follow-on grants to technology startups, enterprises, and government initiatives for research and projects utilizing Hedera's technology. Hedera funded those foundations through the distribution of HBAR, the Hedera network's native token.

20. Prior to August 2022, Hedera issued a request for proposals from foundations seeking HBAR funding that would be used to promote and grow the Hedera ecosystem.

21. Following the request for proposal process, Hedera selected the DLT Science Foundation, ESF Cayman's affiliate and predecessor-in-interest, as a grant recipient. The DLT Science Foundation and its affiliates, the ESG Defendants, promote the adoption of distributed ledger technology by funding hackathons, research, workshops and other programs.

22. On August 14, 2022, Hedera entered into a grant agreement with the DLT Science Foundation entity DSF OpCo, Ltd. ("DSF"), whereby Hedera would provide DSF an initial funding tranche of \$12,753,333 worth of HBAR to help promote and grow the Hedera ecosystem. HBAR was valued at approximately \$0.06 at the time of the first tranche of funding. Subject to potential follow-on distributions at Hedera's sole discretion, DSF could receive up to \$161,860,000 worth of HBAR in grant funding.

23. In June 2024, DSF assigned all its interests and obligations in the Grant Agreement to ESF Cayman, as was anticipated by the parties under the Grant Agreement.

24. On September 5, 2024, the Grant Agreement was amended to, *inter alia*, authorize a subsequent distribution from Hedera to ESF Cayman of \$33,800,000 worth of HBAR (the “First Amendment”). HBAR was valued at approximately \$0.055 USD at the time of the second tranche of funding.

25. Since funding the two tranches of HBAR to ESF Cayman, HBAR has nearly doubled in value, reaching an intraday high of \$0.09 USD at the time of this filing. As a result, ESF Cayman received significantly more funding than anticipated under the original grant.

26. On May 30, 2025, the Grant Agreement was further amended to, *inter alia*, modify Section 3.2(a), which governed ESF Cayman’s distribution of grant funds to related parties (the “Second Amendment”). As amended, the Grant Agreement allowed unlimited transfers of “(i) Grant Funds paid to the ESF and its personnel (or nominated service companies of its personnel) in accordance with the Program Financial Plan, or (ii) Grant Funds transferred among the entities listed in Appendix 3, Exhibit D, or (iii) Grant Funds transferred to 100% subsidiaries of ESF...”

27. Hedera agreed to amend Section 3.2 at ESF Cayman’s request and based on ESF Cayman’s representations and agreement that its transfers of Grant Funds to ESF Cayman’s subsidiaries and other transferees would not change the character of the Grant Funds.

28. The First Amendment included an Appendix 3 to Exhibit D that contained an organizational chart created by ESF Cayman reflecting ESF Cayman’s organizational structure as related to the Grant Agreement. ESF Cayman represented in Appendix 3 to Exhibit D that it had “100% CONTROL” of ES Capital. ESF Cayman further represented in Appendix 3 to Exhibit D that ESF Switzerland was a “Non-profit in Switzerland . . . to be setup” and lists the website

exponentialscience.org. The terms of service for the exponentialscience.org website states that Exponential Science is “a registered Foundation in the Cayman Islands.”

29. In its Q4 2024 report to Hedera, ESF Cayman reported that ES OpCo was “100% controlled by the Exponential Science Foundation” and, along with ES Capital, “will serve as a wholly owned subsidiary that manages the operations and evergreen strategy of the Foundation.”

30. Under section 3.1 of the Grant Agreement ESF Cayman could deploy Grant Funds “solely towards the Program and in accordance with the budget set forth in the attached Program Plan, in a manner compliant with applicable Law.”

31. Hedera had the right to terminate the Grant Agreement with 90 days written notice to ESF Cayman “for any reason or no reason at all”, pursuant to Section 7.4 of the Grant Agreement.

32. Upon termination, Section 7.5 of the Grant Agreement (as amended) relieves Hedera from all payment obligations and requires ESF Cayman to “promptly Transfer any Uncommitted Grant Funds to Hedera.”

33. Section 1.19 of the Grant Agreement defines “Uncommitted Grant Funds” as funds that “have not been spent or contractually committed to any Follow-on Grantee, contractor, vendor, or service provider in accordance with the Program Plan and Program Financial Plan.” In other words, funds fall within this definition if either they have not been spent or if they have not been contractually committed. Therefore, under Section 7.5 of the Grant Agreement, ESF Cayman was obligated to return to Hedera all unspent funds, even if such funds were contractually committed.

34. The parties’ intended the obligation to return Uncommitted Grant Funds to apply to ESF Cayman, the parties listed in Appendix 3 to Exhibit D, and any wholly owned subsidiaries

of ESF Cayman. To interpret Section 7.5 any other way would render the obligation meaningless, as it would allow ESF Cayman to skirt its obligation to return funds by transferring grant funds to its wholly owned subsidiaries and affiliates at no cost regardless of whether it had any reason for doing so.

35. Put another way, the plain language of the definition of Uncommitted Grant Funds is that contractual commitments only apply to third parties — “Follow-on Grantee[s], contractor[s], vendor[s], or service provider[s].” Thus, not only did ESF Cayman not “spend” the funds by transferring them to wholly owned subsidiaries or controlled affiliates, it also did not “commit” them by doing so. ESF Cayman therefore failed to satisfy the necessary prerequisites to avoid its obligation to return the Uncommitted Grant Funds to Hedera.

36. Section 3.2(c) (Transfer Restrictions) of the Second Amendment illustrates, as an example, the parties’ intent to treat ESF Cayman, the entities listed in Appendix 3 to Exhibit D and wholly owned subsidiaries as a single entity for the purposes of ESF Cayman’s contractual obligations. The amended section states that “For the purposes of measuring ESF’s Liquid Treasury, the total balance of all Grant Funds distributed across ESF’s entities as set forth in Exhibit D, Appendix 3 and any 100% owned subsidiaries shall be considered.”

II. Hedera Terminates the Grant Agreement.

37. On February 25, 2026, Hedera informed ESF Cayman that it was terminating the Grant Agreement pursuant to its termination rights in Section 7.4, effective May 26, 2026. Hedera further directed ESF Cayman not to make any new commitments of Grant Funds and that Hedera is relieved of any further payment obligations.

38. On March 6, 2026, in connection with the termination, Hedera requested updated financials from ESF Cayman to determine the amount of funds ESF Cayman was obligated to

return to Hedera. The last financials Hedera had received, on January 30, 2026, showed that as of December 31, 2025 “DSF & ESF” had a combined balance of \$35.6 million worth of HBAR tokens, \$14.1 million worth of stablecoins, \$2.9 million worth of other cryptocurrencies, and \$17.7 million in fiat currencies, representing approximately \$70.3 million worth of assets.

39. The same report indicated that ESF Cayman had nearly completed “the wind-down of DSF” and that there were “only a small number of final administrative steps remaining.”

40. ESF Cayman did not report that any of its wholly owned subsidiaries held balances of any amounts of Grant Funds.

41. Yet on April 2, 2026, ESF Cayman provided its balance sheet as of March 31, 2026 showing that its assets had dropped in value by approximately \$69 million to under \$1 million. This was due in part to a drop of over \$35 million worth of HBAR tokens.

42. ESF Cayman’s disclosure was particularly surprising to Hedera, as ESF Cayman had projected expenditures for January 1, 2026 through March 31, 2026 of just over \$5.7 million.

43. Hedera promptly responded requesting either corrected financials (in the event a typographical or accounting error was to blame for the discrepancy) or clarification and a financial accounting showing how approximately 98% of ESF Cayman’s assets had been spent in mere months.

44. In response, ESF Cayman informed Hedera that when providing prior financial reports throughout the course of the parties’ relationship, ESF Cayman reported the consolidated accounts of all Exponential Science entities. In other words, during the entire course of the parties’ relationship, ESF Cayman treated itself and all of its owned and controlled entities as a single treasury. But when Hedera terminated the Grant Agreement, ESF Cayman suddenly claimed that the entities were not operating as a single unit.

45. The balance sheet that ESF Cayman provided in connection with Hedera's termination notice accounted for only the ESF Cayman entity. ESF Cayman explained that on October 20, 2025, ESF Cayman transferred \$76 million worth of funds to ES Capital, ES OpCo and ESF Switzerland. ESF Cayman represented that it transferred \$52.7 million worth of assets to ES Capital, \$19.9 million worth of assets to ES OpCo, and \$3.4 million worth of assets to ESF Switzerland. ESF Cayman specified that the transfers were made pursuant to Section 3.2(a) of the Grant Agreement.

46. Upon information and belief, ESF Cayman transferred assets to its wholly owned and controlled subsidiaries, ES OpCo, ES Capital, and its affiliate ESF Switzerland primarily to attempt to frustrate any attempt by Hedera to collect the Uncommitted Grant Funds that ESF Cayman was contractually obligated to return.

III. ESF Cayman Refuses to Return Uncommitted Grant Funds.

47. On April 14, 2026, Hedera sent a letter reiterating its demand that ESF Cayman return all Uncommitted Grant Funds, including unspent funds transferred to ES Capital, ES OpCo, and ESF Switzerland.

48. In response, ESF Cayman claimed it had no obligation to return unspent funds that have been contractually committed to its wholly owned subsidiaries, despite the unambiguous language of the Grant Agreement requiring it to do so. Further, ESF Cayman denied any obligation to return unspent grant funds transferred to ES Capital, ES OpCo, and ESF Switzerland in further breach of the Grant Agreement.

COUNT I
(Breach of Contract Against ESF Cayman, ES Capital, and ES OpCo)

49. Hedera repeats and realleges each and every allegation contained in the foregoing paragraphs of this Complaint as if fully set forth herein.

50. The Grant Agreement is a valid and enforceable contract.

51. Hedera performed all of its obligations under the Grant Agreement.

52. Pursuant to Section 7.4 of the Grant Agreement, Hedera has the right to terminate the Grant Agreement “for any reason or no reason at all” with 90 days written notice to ESF Cayman.

53. Upon termination, pursuant to Section 7.5 of the Grant Agreement, ESF Cayman was obligated to return all Uncommitted Grant Funds to Hedera, which included unspent grant funds in the possession of ESF Cayman’s wholly owned and controlled subsidiaries and the entities listed in Appendix 3 to Exhibit D.

54. As set forth above, and in breach of its obligations in the Grant Agreement, Defendant ESF Cayman refused to return the Uncommitted Grant Funds nominally held by its wholly owned and controlled subsidiaries and the entities listed in Appendix 3 to Exhibit D.

55. As a result of ESF Cayman’s breach, Hedera has suffered damages in an amount to be determined at trial, including the amount of any unspent grant funds in ESF Cayman’s possession, distributed to its wholly owned subsidiaries, or distributed to the entities listed in Appendix 3 to Exhibit D.

56. Pursuant to Section 10 of the Grant Agreement, ESF Cayman must also indemnify and reimburse Hedera for “expenses of whatever kind, including reasonable attorneys’ fees” arising out of or in connection with any act of ESF Cayman or ESF Cayman’s breach of its obligations under the Grant Agreement, which necessitated this lawsuit.

57. On information and belief, Defendants ESF Cayman, ES Capital, and ES OpCo effectively function as a single company and lack any meaningful corporate separateness.

58. As ESF Cayman itself reported in Appendix 3 to Exhibit D of the September 2024 Amendment to the Grant Agreement, ES Capital is wholly owned and controlled by ESF Cayman.

59. In its Q4 2024 report to Hedera, ESF Cayman reported that ES OpCo is a wholly owned subsidiary that is “100% controlled” by ESF Cayman.

60. Upon information and belief, ESF Cayman did not deal with ES OpCo and ES Capital at arms-length and ES OpCo and ES Capital used the property of ESF Cayman as if it were its own.

61. As alleged above, on information and belief, ESF Cayman maintains absolute control over Defendants ES Capital and ES OpCo, which operate as Defendant ESF Cayman’s alter egos. As alleged above and below in Counts Two and Three, Defendant ESF Cayman wrongfully transferred 98% of its assets, including Uncommitted Grant Funds it was obligated to return to Hedera, to ES Capital, ES OpCo, and other entities under its control in an attempt to render ESF Cayman judgment proof. As a result, ES Capital and ES OpCo are also liable to Hedera on Count One.

COUNT II

(Breach of the Implied Obligation of Good Faith and Fair Dealing Against ESF Cayman, ES Capital, and ES OpCo)

62. Hedera repeats and realleges each and every allegation contained in the foregoing paragraphs of this Complaint as if fully set forth herein.

63. The Grant Agreement is a valid and enforceable contract.

64. ESF Cayman had an implied obligation of good faith and fair dealing not to do anything that would deprive Hedera of the expected benefits of the Grant Agreement.

65. ESF Cayman breached the implied obligation of good faith and fair dealing when it transferred 98% of its assets to its wholly owned and controlled subsidiaries and entities listed in Appendix 3 to Exhibit D for no consideration, in an attempt to escape its obligation to return Uncommitted Grant Funds to Hedera upon termination of the Grant Agreement.

66. Hedera reasonably expected ESF Cayman to act consistently with the Grant Agreement and to act as a reasonably prudent grant recipient in returning Uncommitted Grant Funds in its control upon the Grant Agreement's termination.

67. By engaging in conduct intended to frustrate Hedera's ability to collect any Uncommitted Grant Funds, ESF Cayman deprived Hedera of its expected benefits of the Grant Agreement.

68. Hedera suffered harm as a result of ESF Cayman's breach of the implied obligation of good faith and fair dealing, including in the amount of all Uncommitted Grant Funds transferred to ESF Cayman's wholly owned and controlled subsidiaries and entities listed in Appendix 3 to Exhibit D.

69. Upon information and belief, Defendants ESF Cayman, ES Capital, and ES OpCo effectively function as a single company and lack any meaningful corporate separateness.

70. As ESF Cayman itself reported in Appendix 3 to Exhibit D of the September 2024 Amendment to the Grant Agreement, ES Capital is wholly owned and controlled by ESF Cayman.

71. In its Q4 2024 report to Hedera, ESF Cayman reported that ES OpCo is a wholly owned subsidiary that is "100% controlled" by ESF Cayman.

72. Upon information and belief, ESF Cayman did not deal with ES OpCo and ES Capital at arms-length and ES OpCo and ES Capital used the property of ESF Cayman as if it were its own.

73. Between October 2025 and the termination window, ESF Cayman shifted 98% of its assets, including Grant Funds, to ES Capital, ES OpCo, and ESF Switzerland for no consideration while continuing to report consolidated results, thereby frustrating Hedera's ability to recover Uncommitted Grant Funds

74. As alleged above, ESF Cayman maintains absolute control over Defendants ES Capital and ES OpCo, which operate as Defendant ESF Cayman's alter egos. As alleged above and below in Counts One and Three, Defendant ESF Cayman wrongfully transferred 98% of its assets, including Uncommitted Grant Funds it was obligated to return to Hedera, to ES Capital, ES OpCo and other entities under its control in order to attempt to render ESF Cayman judgment proof. As a result, ES Capital and ES OpCo are also liable to Hedera on Count Two.

COUNT III
(Unjust Enrichment Against All Defendants)

75. Hedera repeats and realleges each and every allegation contained in the foregoing paragraphs of this Complaint as if fully set forth herein.

76. Hedera alleges in the alternative to its breach of contract claim that it is entitled to recover under the doctrine of unjust enrichment if the return of Uncommitted Grant Funds by ESF Cayman and its wholly owned and controlled subsidiaries is not mandated under the Grant Agreement.

77. Between 2022 and 2024, Hedera, at its own expense, conferred a benefit to ESF Cayman in the amount of more than 800 million HBAR tokens. Those HBAR tokens would now be worth over \$70,000,000.

78. Upon information and belief, ESF Cayman, at no cost, transferred substantially all of the funding it received from Hedera to its wholly owned and controlled subsidiaries and entities listed on Appendix 3 to Exhibit D, including ES OpCo, ES Capital, and ESF Switzerland.

79. Upon information and belief, funds that ESF Cayman transferred to ES OpCo, ES Capital, and ESF Switzerland for no consideration have not been spent and had not been spent at the time Hedera notified ESF Cayman of the termination of the Grant Agreement.

80. Hedera has demanded that the unspent funds be returned and ESF Cayman has refused to do so.

81. The ESG Defendants were enriched, at Hedera's expense, by their receipt and retention of Hedera's Grant Funds that had not been spent as of the date of Hedera's termination.

82. Hedera did not receive any benefit from its transfer to ESF Cayman of the Grant Funds that were transferred to the other ESG Defendants and that were not spent as of the date of Hedera's termination.

83. The ESG Defendants were aware and had knowledge that Hedera was providing grant funding on the condition that if the grant relationship ended, ESF Cayman was obligated to return any unspent funds to Hedera. The ESG Defendants knew that the unspent funds it was obligated to return to Hedera included those in the possession of ESF Cayman's wholly owned and controlled subsidiaries or any entities listed on Appendix 3 to Exhibit D.

84. Hedera demanded that ESF Cayman return the unspent grant funds that ESF Cayman transferred to its subsidiaries and affiliates, and ESF Cayman refused to do so.

85. The ESG Defendants accepted and retained the unspent grant funds inequitably and at Hedera's expense.

86. Hedera provided funds to ESF Cayman in exchange for ESF Cayman's promotion and support of projects and research for the benefit of the Hedera ecosystem. The ESG Defendants have not spent the certain funds on such projects and it would be inequitable for the ESG

Defendants to retain those funds simply because ESF Cayman transferred them, at no cost, to its wholly owned and controlled subsidiaries and affiliates.

87. Hedera and ESF Cayman had a sufficiently close relationship as grantor and grantee, respectively, whereby ESF Cayman induced Hedera's reliance that any unspent grant funds ESF Cayman transferred to its wholly owned and controlled subsidiaries and affiliates would be returned to Hedera following termination of the grantor-grantee relationship.

88. Equity and good conscience require the restitution of funds from all ESG Defendants because they have retained Hedera's funds without providing any benefit in exchange for doing so.

COUNT IV

(Declaratory Judgment Under New York CPLR § 3001 Against ESF Cayman, ES Capital, and ES OpCo)

89. Hedera repeats and realleges each and every allegation contained in the foregoing paragraphs of this Complaint as if fully set forth herein.

90. There is an actual and justiciable controversy between Hedera and ESF Cayman concerning their rights and obligations under the Grant Agreement.

91. Hedera is entitled to a declaratory judgment declaring that (a) pursuant to the Grant Agreement, ESF Cayman is obligated to return to Hedera all Uncommitted Grant Funds, including those nominally held by its wholly owned and controlled subsidiaries and the entities listed in Appendix 3 to Exhibit D; (b) ESF Cayman breached the Grant Agreement by refusing to return to Hedera all Uncommitted Grant Funds, including those nominally held by its wholly owned and controlled subsidiaries and the entities listed in Appendix 3 to Exhibit D; and (c) ES Capital and ES OpCo are liable for ESF Cayman's breach of the Grant Agreement as alter egos through which ESF Cayman engaged in wrongful conduct.

WHEREFORE, Hedera respectfully requests this Court enter judgment on its claims for breach of contract, breach of the implied obligation of good faith and fair dealing, and declaratory judgment against Defendants ESF Cayman, ES Capital and ES OpCo, and unjust enrichment against all Defendants and:

- a. Award damages in an amount to be determined at trial;
- b. Order Defendants to provide a full accounting of all Grant Funds, their locations, commitments, and expenditures;
- c. Enter a declaratory judgment declaring that (a) pursuant to the Grant Agreement, ESF Cayman is obligated to return all Uncommitted Grant Funds, including those nominally held by its wholly owned and controlled subsidiaries and the entities listed in Appendix 3 to Exhibit D; (b) ESF Cayman breached the Grant Agreement by refusing to return all Uncommitted Grant Funds, including those nominally held by its wholly owned and controlled subsidiaries and the entities listed in Appendix 3 to Exhibit D; and (c) ES Capital and ES OpCo are liable for ESF Cayman's breach of the Grant Agreement as alter egos through which ESF Cayman engaged in wrongful conduct;
- d. Enter preliminary and permanent injunctive relief enjoining all Defendants from spending, committing, pledging or otherwise disposing of the Uncommitted Grant Funds;
- e. Award pre-judgment and post-judgment interest;
- f. Award all reasonable attorney's fees and all other costs and expenses; and
- g. Award such further relief as the Court may deem just and proper.

Dated: May 15, 2026
New York, New York

BROWN RUDNICK LLP

/s/ Stephen D. Palley

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